



Judicial Branch Procurement

Some Superior Courts Generally Followed Requirements but Could Improve Their Procurement Practices

Background

Comprised of the Supreme Court, courts of appeal, superior courts in each of the State's 58 counties, and administrative and policy entities, including the Judicial Council of California, California's judicial branch is a separate and independent branch of state government. In 2011 the State enacted the California Judicial Branch Contract Law, which requires judicial branch entities (judicial entities) to follow procurement and contracting policies that are consistent with the Public Contract Code and substantially similar to other state requirements.

Our Key Recommendations

The courts should do the following:

- Demonstrate they obtain the best value for the goods and services purchased through contracts by ensuring that vendor's prices are fair and reasonable when using a noncompetitive process, appropriately justify and retain the reasons for entering into contracts that are not competitively bid, and ensure contracts are properly approved.
- Ensure payments are properly authorized by implementing procedures to adequately separate key duties for approving invoices and preparing payments, ensuring goods and services ordered are received prior to making payments, and ensuring staff do not exceed purchase card transaction limits or documenting other limits in their local contracting manual.

Key Findings

- Although most of the five courts we reviewed generally followed required and recommended contracting practices, we found that one did not always follow appropriate contracting practices and identified certain issues at each of the other four.
 - » The Santa Clara court paid over \$580,000 for services without an agreement for those services, and for three other non-competitively bid contracts, it did not have documentation to justify the sole-source contract or that it received the best value.
 - » The other four courts—in Los Angeles, Monterey, Santa Barbara, and Imperial counties—did not have documentation that demonstrated they received the best value or that justified a sole-source purchase for one contract each.
- While all five courts had procedures in place for processing payments to ensure public funds are used properly, four of the courts could improve some processes.
 - » At the Monterey court, we found that staff members approved several payments for amounts above their authorization limits and the Santa Clara court did not always fully separate the key duties and responsibilities for approving invoices and preparing payments.
 - » The Santa Barbara and Imperial courts did not consistently ensure that vendor payments were properly approved or that goods or services purchased were actually received prior to paying the vendor.
- Although the Imperial and Santa Barbara courts established their own transaction limits for purchase cards, they did not document these deviations from the limits set out in the judicial contracting manual's guidelines.