



Mike Mucha, GFOA's deputy executive director, met up with **Jack Pellegrino**, NIGP-CPP, CPPO, CPCM, the director of purchasing and contracting for the County of San Diego, California, and past president of the California Association for Public Procurement Officials (CAPPO). At the CAPPO 2023 conference, Jack and Mike gave a presentation on the need for better coordination between finance and procurement, and here they discuss the county's approach to customer service, the evolution of procurement, attracting new talent to the profession, and the role of professional associations in developing employees.

Mike: I've heard you say that more than \$2 billion in purchasing transactions flow through your office. Can you tell us about the department and your role?

Jack: San Diego County is a large organization with 48 departments, more than 19,000 employees, and a budget of approximately \$7.3 billion. The Department of Purchasing and Contracting is a single-point shop for all things procurement with the county. We operate under a very centralized model to support county departments and have really stressed client-focused procurement and being able to provide good customer service to assist with departments' ability to provide services. The Department of Purchasing and Contracting has an overall staff of 74 people, which includes 64 procurement staff. The procurement staff are aligned to focus on county departments by groups. Groups include health and human services, FG3 (finance and government), land use and environment, and public safety.

Coming out of college, did you always know you wanted to work in public procurement?

I earned an economics major and business minor from Benedictine College and like most people currently working in procurement, I sort of fell into the profession. Out of college, I started out working for TRW Electronics and Defense in a purchasing role. They were involved in the aerospace industry and were a supplier for the Department of Defense. I was then able to further develop in my career, moving up to higher-level positions in procurement with two other firms, Hughes Aircraft and Science Applications International. I really enjoyed how procurement was able to play a critical strategic role in the firm. We were involved in key decisions because each of those firms understood that our ability to deliver, as a company, relied on our ability to source materials and ensure a high-quality supply chain. Our ability to compete for business was based on how

well our supply chain worked. For me, I also liked that I had an opportunity to get involved in both sides of a deal—both securing new business and helping to execute successfully.

What led you to switch to the public sector and take a job with the county?

I really wanted to be connected to public service. The county's motto is "The noblest good is the public good," and I can say that I find it more fulfilling than just working for the business bottom line.

What did you find was the biggest difference in working in the public sector versus the private sector?

The biggest change or thing to get used to in moving from the private sector to the public sector was the level of transparency that exists in local government procurement. Even though we participated in procurement processes for the federal government, local government is different. In the private sector, we were careful to treat most of our information as proprietary to protect our competitive advantages. Our approach to projects, pricing, and even suppliers was that what we were using was all confidential information. This is not appropriate for public entities, where just about everything becomes public record. I would say that another big difference was the speed of the procurement. Because there wasn't a focus on transparency, we were able to move much faster and involve fewer people, and therefore our processes and procedures were not as robust.

I've heard many times that working in the public sector is more difficult. Did you find that to be true?

At times, it can be frustrating that we aren't able to complete procurements faster, but I completely understand the need for transparency and didn't find that to be difficult. What was most challenging for me, coming in as department director, was navigating the intersection between politics, policy, and operations. In the private sector the CEO or other managers are authorized to make most decisions, or at least provide a vision for moving forward—and so we could do so quickly.

In government, there are many more stakeholders involved in decision-making, and important issues need to be looked at through a variety of lenses. For example, what might be good for the budget may not serve our citizens or be the approach favored by our elected officials. Similarly, stakeholders may disagree on an approach, and it takes time to navigate the process to reach a final decision. Government often gets a bad name because of rules and our bureaucratic process, but that's what makes our governments run, and that process is essential when you consider who we serve. We have a fundamental responsibility for fairness in the process and need to be good stewards of taxpayer funding.

One challenge that we know governments are facing across all functional areas, but especially in finance and procurement, is recruiting more people like you to leave the private sector and take a role in the public sector. Do you have any advice for how governments can be more successful in recruiting talent away from the private sector?

For me, it was a desire to serve the public. At the county, we provide services in so many areas that make a difference in the lives of our citizens. In procurement, we help play a role in supporting departments across the county. I really think governments need to do a better job explaining our work. Yes, if a new college graduate is just comparing salaries, my guess is that the private sector will likely still be higher—and that might be important if they have student loans to pay off. However, I feel new hires may not recognize that government procurement careers can provide good salaries, opportunities for career advancement, strong benefits, and fulfilling work. For anyone comparing the public and private sectors, I would suggest they look at the other benefits or professional development opportunities that can come with government. I have been fortunate to be a part of the National Institute of Governmental Procurement (NIGP) and the California Association for Public Procurement Officials, where I can attend conferences and network

with leaders from other governments who truly want to share their innovations, ideas, and best practices. I know I have been able to learn from this network, and that largely doesn't happen in the private sector.

You mentioned that we need to focus on the work. You've been at the county for almost ten years. As you think about the time you've put in there, what has been the most rewarding experience?

Two things stand out. First, we were able to focus the county purchasing organization on "client service." I like to say this every chance I get. Our job in procurement is to get the client what they need, when they need it, and for a fair price within the rules. We take seriously our role to partner with departments and help them find solutions. For example, some departments may know what they need but may not know how to define it. In other cases, departments may not be aware of the rules that apply to their purchase. Our role is to be helpful. To do this, we need to know how we are performing. When I interviewed for the job, I presented my idea for customer

service and committed to a regular survey of clients so we could learn what we need to improve. That is an important part of service and the culture we have in the department.

From a project perspective, I think the Southeastern Live Well Center that we are building here in the county is a great example of how the county and procurement can really serve the community. The center is a \$74 million project in an underrepresented and under-resourced part of the community. When we negotiated the construction contract, we included specific provisions that required a set amount of spending in the four zip codes around the center and additional requirements for workforce participation. In the contract, we required \$6 million in spending in the community and at least 5 percent of the workforce on the project coming from the same area. Currently, based on the most recent report, the project has already delivered \$8.2 million worth of spending in the community and a community workforce representation of 9.8 percent. This is a project for the community, built by the community!



Top: The Southeastern Live Well Center has already outperformed expectations for spending in the community. The center is expected to employ approximately 238 people. Bottom Left: The SELWC Contracting Team. Bottom Right: Jack Pellegrino signing the SELWC Topping Off Beam with Abdur-Rahim Hameed, President /CEO National Black Contractors Association, of U.S.A., Inc.

From being involved in both GFOA and NIGP, I understand the importance of procurement working together with finance to deliver high-quality services to both internal and external stakeholders. What is your approach to ensuring that procurement and finance work collaboratively?

I report to the county's chief financial officer, and purchasing is part of the finance organization (finance and government group). Fundamentally, the role of purchasing is integrated with finance, and we need to work together each and every day. The role of finance is more effective when they have current data, and purchasing can help with that. We can routinely provide information to assist with forecasting and budgeting. For example, we talk all the time about our purchasing staff knowing their portfolio. This information is critical when pricing is volatile in the inflationary period we are in now. Changes in pricing for some industries can make a big difference in the county budget. I would think all finance officers would want to know that information, and procurement officers should be in a position where they can provide it.

When we speak at conferences, we often hear about the siloed nature of procurement and finance departments. What makes the County of San Diego different from other organizations, where it seems that finance and procurement are not as closely integrated?

For one, I think our size makes a difference. Procurement spending is a sizable portion of the county budget. For that reason, I think it is viewed a bit more strategically. But I also think that other governments don't have the same management philosophy. I've seen managers not wanting to give up control. In a way, the approach we take in San Diego County is more of the approach I was a part of in the private sector, where the organization recognizes that strategic decisions require input from procurement. I also think that purchasing departments that focus too much on compliance risk not being available to help customers

solve problems. Often, there isn't the necessary collaboration. I believe that purchasing needs to evolve to become more strategic, and partnering with finance is an example of doing that.

Your department conducts a survey of its customers to evaluate satisfaction with the services you provide. How is the survey conducted, and what do you do with the results?

Each year, we survey our customer departments on how well we are meeting expectations and if we are providing quality services. The survey from last year contained only eight questions, but it provided valuable feedback on our ability to deliver procurement services that departments view as timely, professional, and knowledgeable. And probably most importantly, it asks about our ability to clearly communicate the policies and expectations in purchasing and our alignment overall with the goals of the department.

The County of San Diego's Department of Purchasing and Contracting customer service survey is accessible to all county employees and sent to contracting officer representatives and departmental contacts involved in purchasing. The eight-question survey asks about the following areas:

1. Understanding procurement needs
2. Questions are fully addressed
3. Timeliness
4. Knowledge
5. Clear communication
6. Consistent information provided
7. Functional threading with departments
8. Professionalism

Using the survey data from 2022, the department identified areas for improvement that included the need for better consistency in process and service levels, improved timeliness, and the need to better communicate policies. Survey results also recognized the county for strong performance in professionalism, a willingness to partner and help seek solutions, general industry knowledge, and an excellent approach to training and work culture.



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If San Diego County is serving as a leader in recognizing the value of purchasing becoming more strategic, how else do you see the profession changing?

Technology has really had an impact and I expect that to continue. When I started, we were using typewriters to send out bids. Now, not only do we have virtual platforms to help with the process, but we've also been able to eliminate much of the paper. In our organization, prior to COVID, all contracts were signed manually. Now we use Adobe Sign, and everything is electronic. We've become much more efficient now that we don't have papers to file. In the future, I see technology becoming even more important, and I'm excited to see what artificial intelligence can do. Beyond technology, procurement needs to be more solution-focused, and we need to be able to add value by bringing more options and potential solutions to the table. There is definitely a huge opportunity to learn from vendors, create a bigger network, and be able to use that network in providing better services.

As the profession changes, how do we prepare staff to meet the challenges they will face in the future?

I do think there are opportunities to better teach public procurement at colleges and universities. Ideally, much more would be done in an academic setting to prepare newer staff. I recently joined the staff at the Supply Chain Management Institute affiliated with the Knauss School of Business at the University of San Diego. In the past, the program has been focused on manufacturing for commercial industries and developing students to succeed at commercial sector firms but not public entities who are the biggest buyers of goods and services.

Building a bridge to a public administration focus area will also help, but in most other programs, you can get a Master of Public Administration degree and never take a class in public procurement. Because of this, I don't think that strategies focused on higher education alone will work. Organizations like GFOA, NIGP, and CAPPO really have a role in advancing procurement to meet needs in the future. These organizations were formed to share best practices and the experiences of practitioners, and I think meeting the challenges of the future depends on having strong associations that can offer networking, mentoring, and guidance on how to navigate the profession.

Which professional associations are you involved with, and do you have any recommendations for someone who may be looking to get involved?

I've been a member of the National Contract Management Association ever since I started in procurement and have been able to learn a lot through the training they offer. When I started at the county in 2013, I joined CAPPO and NIGP. With CAPPO, I was interested in building relationships, so I joined the board soon after getting involved with a role focused on education. I later moved into their leadership cycle and just completed a term as past president.

Each professional organization offers something different. For example, CAPPO is a California focused organization and I've used connections

to build relationships within the state. The organization focuses on education and some of the unique ways we do business in California. With NIGP, they provide a much broader focus and a big umbrella to contain best practices for the United States and Canada. I enjoy being involved in both. When I come to a CAPPO event, I can connect with colleagues here.

I've also been able to build relationships with procurement officials who represent organizations that are similar to the county. For example, through NIGP, I've met people like Jennifer Olzinger, with City of Pittsburgh, Pennsylvania; Sean Carrol, from the State of New York; and Cathy Muse, from Fairfax County, Virginia. I've really learned a lot from them.


More recently, I've attended a few events from GFOA and look forward to attending more. Organizations like GFOA can provide a broader perspective about how procurement fits into large finance organizations and how having more procurement staff involved would likely allow for greater movement of staff between roles in finance, procurement, and budget.

Looking back, is there anything that you would have done differently? Any regrets that you haven't pursued a role as a finance officer?

I really don't think I would do anything differently. Throughout my career, I've looked out for opportunities where I can take on new responsibilities and make decisions based on what I thought was best for my family and my professional growth. I love my job and career!

Throughout the interview, you've made a strong case for how rewarding it can be to work in public procurement, but if you're looking out for new opportunities, is there a job out there that might tempt you to leave the public sector?

I've been fortunate to work in two industries in which procurement can really make a difference, so I'm not sure there is. On second thought, I would love to be the chief procurement officer for the San Diego Padres. Think of the logistics involved in that role. Not only would you have procurement responsibilities for

sourcing the equipment, supplies, and vendors to operate Petco Park, but you'd also be facing the constant challenges of supporting your team of players, coaches, and staff as they travel all over the country. 

Mike Mucha is the deputy executive director of GFOA.

About CAPPO

The California Association for Public Procurement Officials (CAPPO) was formed in 1915 as a nonprofit organization dedicated to maintaining the highest standards of professional behavior and ethical conduct in public procurement. As the oldest public procurement association in the United States, CAPPO works to provide tools to buyers in the public sector that will help them develop their professional skills for their benefit and the benefit of their agencies. CAPPO helps cities, counties, schools, colleges, universities, special districts, and the State of California build and strengthen fully effective procurement departments. CAPPO's ongoing educational programs and high ethical standards have provided substantial benefits to these entities. Good government and good procurement are mutually beneficial, and CAPPO is dedicated to both. For more information or to get involved in CAPPO, please visit cappo.org.

About NIGP

The Institute for Public Procurement (NIGP) has been developing, supporting, and promoting the public procurement profession through premier educational and research programs, professional support, technical services, and advocacy initiatives that benefit members and other important stakeholders since 1944. NIGP's Certified Procurement Professional designation (NIGP-CPP) targets current and aspiring leaders in the public procurement profession. NIGP has developed a strategic partnership with GFOA and GFOA has relied on the organization's professional expertise to help develop our certification content area and the educational curriculum offered through GFOA on procurement topics. GFOA looks forward to continuing to build on this relationship as we advocate for greater procurement and finance partnership. For more information on NIGP, please visit nigp.org.