



Purchasing & Contracting

Purchasing & Contracting



Department Description

The Purchasing & Contracting Department is responsible for the City's centralized procurement and materials management functions to ensure the availability of materials, supplies, equipment, and services to meet the City's capital improvement program and operational needs. The Department manages the awarding of contracts for professional and general services that are necessary to support the City's operational and administrative functions. Multiple teams of procurement professionals carry on the daily operational contracting needs of the organization; maintain the warehousing of essential materials; support mail center operations; and administer internal service level agreements.

The Department's mission is:

To assist City departments and customers in the centralized acquisition of supplies and services

Goals and Objectives

The following goals and objectives represent the action plan for the Department.

Goal 1: Procure high quality products and services for the best value

Providing quality products and services allows the Department to meet the various needs of its customers. The Department continues to move toward accomplishing this goal by focusing on the following objectives.

- Standardize Department operations
- Streamline procurement measures
- Implement strategic sourcing
- Improve vendor performance measurement

Goal 2: Effectively manage contracts and related data

Having well-managed contracts, agreements, and supporting documents aid in the effective operation of the Department and the City as a whole. This will result in more efficient and timely receipt of goods and professional services. The Department moves toward accomplishing this goal by focusing on the following objectives.

- Implement integrated technical solutions for comprehensive contract management
- Provide customers with increased outreach on bid opportunities
- Improve staff contract administration training
- Streamline internal customer complaint notification process

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Goal 3: Provide excellent customer service

Ensuring that our customers are provided excellent service is paramount to the organization. We must ensure that the Department is able to deliver accurate and timely customer service to enable City employees to perform their jobs more effectively. The Department moves toward accomplishing this goal by focusing on the following objectives.

- Improve guidance and resources available for internal and external customers
- Provide basic customer service training for Department staff
- Enhance departmental teamwork

Goal 4: Pursue continuous workforce learning to ensure critical, high quality skill sets

Developing and retaining a trained and skilled workforce is essential to the success of the Department. Ensuring that our employees are adequately trained, continue to pursue continuous education, and take advantage of development opportunities help create a high performing organization that operates more efficiently and effectively. The Department moves toward accomplishing this goal by focusing on the following objectives.

- Participate in professional organizations and regional contracting efforts
- Implement monthly internal professional development training
- Implement team rotations and cross training

Service Efforts and Accomplishments

The Purchasing & Contracting Department received the Achievement of Excellence in Procurement Award from the National Purchasing Institute, an award that recognizes organizational excellence in procurement. The Department also received recognition at the 2006 San Diego Earth Awards as an Environmental Partner.

Expansion of the City-wide Procurement Card Program has been completed with the successful migration of a significant volume of essential purchases (\$6.8 million spent volume in Fiscal Year 2007) realized in a more efficient manner.

The Business Process Reengineering (BPR) study for contracts resulted in a newly formed Department of Purchasing & Contracting which consolidated all pre-award contract activities into one department. As a result of the BPR, the City's Central Stores consolidated its warehouse operations and realized a \$1.5 million cost savings in Fiscal Years 2006 and 2007.

The Department has standardized all City construction, professional services, consultant and commodity contracts, and bid documents. Purchasing & Contracting has developed a Request for Proposals team with templates and City-wide procedures for large consultant contracts. The Department has also presented more than fifteen educational sessions regarding Purchasing & Contracting operations to City employees and external customers.

Another significant effort was the implementation of the Living Wage Ordinance on July 1, 2006 for City service contracts. The Department is responsible for the continual monitoring of the City's contracts for compliance with the mandates of the Living Wage Ordinance, and responding to and resolving complaints from employees of contracted firms.

Purchasing & Contracting was able to expedite procurement and contract support during the Mount Soledad landslide and the fire emergencies, supporting rapid response and remediation activities.

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Budget Dollars at Work: Performance Expectations

Goal 1: Procure high quality products and services for the best value

Performance Measure	Baseline FY2007	Actual FY2008	Target FY2009
1. Percent reduction in pre-award timelines	N/A	N/A ¹	10%
2. Average time from bid opening to construction contract award	N/A	98 days	90 days
3. Average time from proposal receipt to vendor selection/contract award	N/A	228	120 days
4. Number of sustained contract protests	0	0	0

Goal 2: Effectively manage contracts and related data

Performance Measure	Baseline FY2007	Actual FY2008	Target FY2009
1. Percent of contracts included in online document management system	N/A	67%	33%
2. Average length of time to complete investigations regarding violations of Living Wage Ordinance	N/A	108 days	90 days

Goal 3: Provide excellent customer service

Performance Measure	Baseline FY2007	Actual FY2008	Target FY2009
1. Percent of customer survey results above satisfactory	N/A	N/A ²	90%
2. Percent of employees receiving customer services training	N/A	100%	100%
3. Average time to establish purchase order	N/A	7 days	7 days

Goal 4: Pursue continuous workforce learning to ensure critical, high quality skill sets

Performance Measure	Baseline FY2007	Actual FY2008	Target FY2009
1. Percent of eligible employees with professional certification	20%	57%	50%
2. Percent of eligible employees participating in professional organizations	N/A	70%	50%

Budget Dollars at Work: Sizing and Workload Data

	Actual FY2005	Actual FY2006	Actual FY2007	Actual FY2008	Target FY2009
Sizing Data					
Procurement card spend volume	N/A	\$3.5M	\$6.9M	\$15M	\$11M
Number of attendees at "How to Do Business with the City" workshops	N/A	N/A	36	54	64
Workload Data					
Number of purchase orders generated	11,853	3,327	8,935	7,814	7,325
Value of purchase orders generated	\$521.0M	\$209.2M	\$439.8M	\$579.5M	\$403.2M
Number of procurement contracts	438	470	530	338	500
Value of procurement contracts	\$57.8M	\$60.2M	\$91.8M	\$75.9M	\$90.0M

¹ This information was not tracked in Fiscal Year 2008

² No customer survey was conducted in Fiscal Year 2008

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	Actual FY2005	Actual FY2006	Actual FY2007	Actual FY2008	Target FY2009
Number of construction contracts	88	61	70	71	100
Value of construction contracts	\$94.80M	\$39.80M	\$48.60M	\$210.00M	\$9.09M

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Department Summary

Purchasing & Contracting				
	FY 2007 BUDGET	FY 2008 BUDGET	FY 2009 FINAL	FY 2008-2009 CHANGE
Positions	85.00	74.00	65.00	(9.00)
Personnel Expense	\$ 6,388,716	\$ 6,366,024	\$ 5,240,346	\$ (1,125,678)
Non-Personnel Expense	\$ 18,365,356	\$ 23,076,776	\$ 22,973,185	\$ (103,591)
TOTAL	\$ 24,754,072	\$ 29,442,800	\$ 28,213,531	\$ (1,229,269)

Department Staffing

	FY 2007 BUDGET	FY 2008 BUDGET	FY 2009 FINAL
GENERAL FUND			
Equal Opportunity Contracting			
Business Opportunity Center	5.00	0.00	0.00
Consultant Services	3.00	0.00	0.00
EOCP-Contract and Labor Compliance	17.00	0.00	0.00
Total	25.00	0.00	0.00
Purchasing			
Division Management and Support	1.50	0.00	0.00
Requisition, P.O., and Contract Mgmt	20.00	0.00	0.00
Service Enhancement and Outreach	0.50	0.00	0.00
Total	22.00	0.00	0.00
Purchasing & Contracting			
Public Works Contracting	15.00	0.00	0.00
Purchasing & Contracting Admin	1.00	0.00	0.00
Purchasing & Contracting Operations	0.00	34.00	41.00
Purchasing & Contracting Programs	0.00	18.00	2.00
Total	16.00	52.00	43.00
CENTRAL STORES INTERNAL SERVICE FUND			
Central Stores			
Mailroom Operations	7.00	7.00	7.00
Storeroom Operations	11.00	11.00	11.00
Stores Accounting	4.00	4.00	4.00
Total	22.00	22.00	22.00
DEPARTMENT TOTAL	85.00	74.00	65.00

Purchasing & Contracting

Department Expenditures

	FY 2007 BUDGET	FY 2008 BUDGET	FY 2009 FINAL
GENERAL FUND			
Equal Opportunity Contracting			
Business Opportunity Center	\$ 508,266	\$ -	\$ -
Consultant Services	\$ 241,713	\$ -	\$ -
EOCP-Contract and Labor Compliance	\$ 1,851,190	\$ -	\$ -
Equal Opportunity Contracting	\$ (171,323)	\$ -	\$ -
Total	\$ 2,429,846	\$ -	\$ -
Purchasing			
Division Management and Support	\$ 216,552	\$ -	\$ -
Purchasing	\$ (121,312)	\$ -	\$ -
Requisition, P.O., and Contract Mgmt	\$ 1,768,631	\$ -	\$ -
Service Enhancement and Outreach	\$ 117,638	\$ -	\$ -
Total	\$ 1,981,509	\$ -	\$ -
Purchasing & Contracting			
Public Works Contracting	\$ 1,149,714	\$ -	\$ -
Purchasing & Contracting	\$ (4,167)	\$ 52,780	\$ (142,248)
Purchasing & Contracting Admin	\$ 500,115	\$ -	\$ -
Purchasing & Contracting Operations	\$ -	\$ 3,141,490	\$ 4,170,636
Purchasing & Contracting Programs	\$ -	\$ 2,419,229	\$ 411,827
Total	\$ 1,645,662	\$ 5,613,495	\$ 4,440,215
CENTRAL STORES INTERNAL SERVICE FUND			
Central Stores			
Central Stores	\$ 924	\$ 27,199	\$ 57,206
Division Management	\$ 56,534	\$ 54,551	\$ 41,555
Inventory Purchases	\$ 16,967,515	\$ 21,967,515	\$ 21,967,515
Mailroom Operations	\$ 459,577	\$ 485,757	\$ 499,065
Storeroom Operations	\$ 890,663	\$ 965,999	\$ 917,478
Stores Accounting	\$ 321,842	\$ 328,280	\$ 290,497
Total	\$ 18,697,055	\$ 23,829,301	\$ 23,773,316
DEPARTMENT TOTAL	\$ 24,754,072	\$ 29,442,800	\$ 28,213,531

Purchasing & Contracting

Significant Budget Adjustments

GENERAL FUND

Equal Opportunity Contracting	Positions	Cost	Revenue
Salary and Benefit Adjustments	0.00 \$	(4) \$	0
Adjustments to reflect the annualization of the Fiscal Year 2008 negotiated salary compensation schedule, changes to average salaries, retirement contributions, retiree health contributions, and other benefit compensation.			
Purchasing & Contracting	Positions	Cost	Revenue
Salary and Benefit Adjustments	0.00 \$	57,972 \$	0
Adjustments to reflect the annualization of the Fiscal Year 2008 negotiated salary compensation schedule, changes to average salaries, retirement contributions, retiree health contributions, and other benefit compensation.			
Engineering & Capital Projects Business Process Reengineering (BPR)	2.00 \$	217,686 \$	0
Adjustments to reflect the budgetary implementation of the Engineering & Capital Projects BPR, including the consolidation of all engineering and capital project functions into the Engineering & Capital Projects Department.			
Mandated Addition	1.00 \$	105,882 \$	0
Addition of 1.00 Senior Management Analyst dedicated to supporting the Living Wage Ordinance.			
Funding for the Enterprise Resource Planning (ERP) Limited Positions	1.00 \$	89,297 \$	90,056
Addition of 1.00 limited Procurement Specialist and associated revenue to backfill FTE assigned to the Enterprise Resource Planning (ERP) project implementation.			
Transfer of Position from Central Stores	1.00 \$	63,904 \$	0
Transfer of 1.00 Payroll Specialist I from Central Stores to Purchasing & Contracting.			
Support for Information Technology	0.00 \$	199 \$	0
Funding allocated according to a zero-based annual review of information technology funding requirements and priority analyses.			
Revised Revenue	0.00 \$	0 \$	(601,916)
Adjustment to reflect Fiscal Year 2009 revenue projections.			
Non-Discretionary	0.00 \$	(7,965) \$	0
Adjustments to expense allocations that are determined outside of the Department's direct control. These adjustments are generally based on prior year expenditure trends and examples of these include utilities, insurance, and rent.			

Purchasing & Contracting

Significant Budget Adjustments

GENERAL FUND

Purchasing & Contracting	Positions	Cost	Revenue
Central Stores Transfer Transfer of 1.00 Account Clerk from Purchasing & Contracting to Central Stores.	(1.00) \$	(61,702) \$	0
Vacancy Savings Adjustments to personnel expenses to reflect the anticipated savings resulting from positions projected to be vacant for any period of the fiscal year due to personnel transition and salary differentials for new employees.	0.00 \$	(142,248) \$	0
Business Office Transfer Transfer of 1.00 Managed Competition Program Manager, 2.00 Senior Management Analysts, 1.00 Associate Engineer-Civil, and associated non-personnel expenditures to administer Managed Competition.	(4.00) \$	(524,103) \$	0
Transfer of Positions to the Administration Department Transfer of 2.00 Supervising Management Analysts, 6.00 Senior Management Analysts, 1.00 Word Processing Operator, and associated non-personnel expenditures to the Equal Opportunity Contracting Program.	(9.00) \$	(972,202) \$	0

CENTRAL STORES INTERNAL SERVICE FUND

Central Stores	Positions	Cost	Revenue
Salary and Benefit Adjustments Adjustments to reflect the annualization of the Fiscal Year 2008 negotiated salary compensation schedule, changes to average salaries, retirement contributions, retiree health contributions, and other benefit compensation.	0.00 \$	15,064 \$	0
Purchasing & Contracting Transfer Transfer of 1.00 Account Clerk from Purchasing & Contracting to Central Stores.	1.00 \$	61,702 \$	0
Support for Information Technology Funding allocated according to a zero-based annual review of information technology funding requirements and priority analyses.	0.00 \$	2,600 \$	0
Revised Revenue Adjustment to reflect Fiscal Year 2009 revenue projections.	0.00 \$	0 \$	(153,922)
Removal of the Funding for the Enterprise Resources Planning (ERP) System Removal of the City's ERP system allocation established in the Fiscal Year 2008 Annual Budget and Fiscal Year 2009 Proposed Budget due to the utilization of alternative funding.	0.00 \$	(5,653) \$	0

Purchasing & Contracting

Significant Budget Adjustments

CENTRAL STORES INTERNAL SERVICE FUND

Central Stores	Positions	Cost	Revenue
Vacancy Savings	0.00	\$ (30,022)	\$ 0
Adjustments to personnel expenses to reflect the anticipated savings resulting from positions projected to be vacant for any period of the fiscal year due to personnel transition and salary differentials for new employees.			
Non-Discretionary	0.00	\$ (35,772)	\$ 0
Adjustments to expense allocations that are determined outside of the Department's direct control. These adjustments are generally based on prior year expenditure trends and examples of these include utilities, insurance, and rent.			
Transfer of Position to Purchasing & Contracting	(1.00)	\$ (63,904)	\$ 0
Transfer of 1.00 Payroll Specialist I from Central Stores to Purchasing & Contracting.			

Expenditures by Category

	FY 2007 BUDGET	FY 2008 BUDGET	FY 2009 FINAL
PERSONNEL			
Salaries & Wages	\$ 4,211,340	\$ 4,114,998	\$ 3,375,477
Fringe Benefits	\$ 2,177,376	\$ 2,251,026	\$ 1,864,869
SUBTOTAL PERSONNEL	\$ 6,388,716	\$ 6,366,024	\$ 5,240,346
NON-PERSONNEL			
Supplies & Services	\$ 17,829,878	\$ 22,765,737	\$ 22,683,168
Information Technology	\$ 354,839	\$ 164,611	\$ 160,625
Energy/Utilities	\$ 154,095	\$ 119,884	\$ 107,848
Equipment Outlay	\$ 26,544	\$ 26,544	\$ 21,544
SUBTOTAL NON-PERSONNEL	\$ 18,365,356	\$ 23,076,776	\$ 22,973,185
TOTAL	\$ 24,754,072	\$ 29,442,800	\$ 28,213,531

Revenues by Category

	FY 2007 BUDGET	FY 2008 BUDGET	FY 2009 FINAL
GENERAL FUND			
Revenue from Other Agencies	\$ 109,309	\$ 31,200	\$ 35,000
Charges for Current Services	\$ 3,077,182	\$ 1,345,781	\$ 791,174
Transfers from Other Funds	\$ 142,683	\$ -	\$ -
Other Revenues	\$ -	\$ -	\$ 38,947
TOTAL	\$ 3,329,174	\$ 1,376,981	\$ 865,121

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Salary Schedule

GENERAL FUND

Purchasing & Contracting

<i>Class</i>	<i>Position Title</i>	<i>FY 2008 Positions</i>	<i>FY 2009 Positions</i>	<i>Salary</i>	<i>Total</i>
1104	Account Clerk	1.00	0.00	\$ -	\$ -
1105	Administrative Aide I	2.00	2.00	\$ 43,820	\$ 87,640
1106	Sr Management Analyst	7.00	2.00	\$ 71,273	\$ 142,546
1107	Administrative Aide II	2.00	2.00	\$ 50,492	\$ 100,984
1218	Assoc Management Analyst	5.00	5.00	\$ 64,335	\$ 321,675
1221	Assoc Engineer-Civil	3.00	2.00	\$ 80,375	\$ 160,750
1237	Payroll Specialist I	0.00	1.00	\$ 39,514	\$ 39,514
1282	Procurement Specialist	7.00	8.00	\$ 59,285	\$ 474,280
1287	Buyers Aide II	1.00	1.00	\$ 44,928	\$ 44,928
1349	Info Systems Analyst III	1.00	1.00	\$ 71,601	\$ 71,601
1401	Info Systems Technician	1.00	1.00	\$ 50,992	\$ 50,992
1535	Clerical Assistant II	2.00	2.00	\$ 35,402	\$ 70,804
1536	Contracts Processing Clerk	3.00	3.00	\$ 39,397	\$ 118,191
1746	Word Processing Operator	4.00	3.00	\$ 37,689	\$ 113,067
1783	Principal Procurement Specialist	3.00	3.00	\$ 71,552	\$ 214,656
1850	Sr Procurement Specialist	1.00	1.00	\$ 65,173	\$ 65,173
1855	Sr Civil Engineer	2.00	2.00	\$ 92,566	\$ 185,132
1879	Sr Clerk/Typist	1.00	1.00	\$ 43,313	\$ 43,313
1917	Supv Management Analyst	3.00	1.00	\$ 80,127	\$ 80,127
2132	Department Director	1.00	1.00	\$ 140,005	\$ 140,005
2176	Purchasing Agent	1.00	1.00	\$ 119,758	\$ 119,758
2214	Deputy Director	1.00	0.00	\$ -	\$ -
	Vacancy Factor Adjustment	0.00	0.00	\$ -	\$ (122,607)
	Total	52.00	43.00	\$	\$ 2,522,529

CENTRAL STORES INTERNAL SERVICE FUND

Central Stores

<i>Class</i>	<i>Position Title</i>	<i>FY 2008 Positions</i>	<i>FY 2009 Positions</i>	<i>Salary</i>	<i>Total</i>
1104	Account Clerk	1.00	2.00	\$ 37,878	\$ 75,756
1194	Auto Messenger II	6.00	6.00	\$ 35,470	\$ 212,819
1236	Auto Messenger	1.00	1.00	\$ 31,137	\$ 31,137
1237	Payroll Specialist I	1.00	0.00	\$ -	\$ -
1282	Procurement Specialist	1.00	1.00	\$ 59,285	\$ 59,285
1533	Stores Operations Supv	1.00	1.00	\$ 54,848	\$ 54,848
1535	Clerical Assistant II	2.00	2.00	\$ 35,402	\$ 70,804
1879	Sr Clerk/Typist	1.00	1.00	\$ 43,314	\$ 43,314
1899	Stock Clerk	5.00	5.00	\$ 36,017	\$ 180,083
1901	Storekeeper III	1.00	1.00	\$ 47,682	\$ 47,682
1902	Storekeeper I	1.00	1.00	\$ 41,330	\$ 41,330

Purchasing & Contracting

Salary Schedule

CENTRAL STORES INTERNAL SERVICE FUND

Central Stores

<i>Class</i>	<i>Position Title</i>	<i>FY 2008 Positions</i>	<i>FY 2009 Positions</i>		<i>Salary</i>		<i>Total</i>
1903	Storekeeper II	1.00	1.00	\$	45,490	\$	45,490
	Vacancy Factor Adjustment	0.00	0.00	\$	-	\$	(25,876)
	Overtime Budgeted	0.00	0.00	\$	-	\$	16,276
	Total	22.00	22.00			\$	852,948
PURCHASING & CONTRACTING TOTAL		74.00	65.00			\$	3,375,477

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Revenue and Expense Statement (Non-General Fund)

CENTRAL STORES INTERNAL SERVICE FUND
50010

	FY 2007* BUDGET	FY 2008* BUDGET	FY 2009 FINAL
BEGINNING BALANCE AND RESERVE			
Balance from Prior Year	\$ 1,117,105	\$ 1,717,409	\$ 1,247,937
TOTAL BALANCE	\$ 1,117,105	\$ 1,717,409	\$ 1,247,937
REVENUE			
Interoffice Mail Delivery	\$ 329,011	\$ 329,011	\$ 329,011
Reimbursed Material	\$ 17,337,636	\$ 21,967,515	\$ 21,821,289
Reimbursed Materials Surcharge	\$ 1,525,712	\$ 1,525,712	\$ 1,518,016
Surplus Property Sales	\$ 30,000	\$ 30,000	\$ 30,000
Surplus Property Surcharge	\$ 75,000	\$ 75,000	\$ 75,000
TOTAL REVENUE	\$ 19,297,359	\$ 23,927,238	\$ 23,773,316
TOTAL BALANCE AND REVENUE	\$ 20,414,464	\$ 25,644,647	\$ 25,021,253
OPERATING EXPENSE			
Inventory Purchases	\$ 16,967,515	\$ 21,967,515	\$ 21,967,515
Personnel and Non-Personnel Expense	\$ 1,729,540	\$ 1,861,786	\$ 1,805,801
TOTAL OPERATING EXPENSE	\$ 18,697,055	\$ 23,829,301	\$ 23,773,316
TOTAL EXPENSE	\$ 18,697,055	\$ 23,829,301	\$ 23,773,316
BALANCE	\$ 1,717,409	\$ 1,815,346	\$ 1,247,937
TOTAL EXPENSE, RESERVE AND BALANCE	\$ 20,414,464	\$ 25,644,647	\$ 25,021,253

* At the time of publication audited financial statements for Fiscal Year 2007 were not available. Therefore, the Fiscal Years 2007 and 2008 columns reflect final budget amounts from the Fiscal Year 2007 and 2008 Annual Budgets. As such, balances and reserves do not reflect carryover from the previous fiscal year.