

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. 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 support the achievement of the City's Strategic Plan goals and objectives by providing superior services and support to City departments and customers for the centralized acquisition of services and supplies

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, promoting fiscally-sound, efficient City government

Provide the highest quality products and services at the best value to meet the various operational needs of the City. 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
- Support of diversity and local businesses

Goal 2: Effectively manage contracts and related data, promoting fiscally-sound, efficient City government

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

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- Provide customers with increased outreach on bid opportunities
- Improve staff contract administration training
- Streamline internal customer complaint notification process
- Resolve contractor issues in a timely manner

Goal 3: Provide excellent customer service

Ensuring that customers are provided excellent service is paramount to the organization. The Department will work to ensure that it 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
- Solicit customer feedback and use it to improve service delivery

Goal 4: Pursue continuous workforce learning to ensure critical, high quality skill sets, and a responsive and innovative workforce

Developing and retaining a trained and skilled workforce is essential to the success of the Department. Ensuring that our employees are adequately trained, continuing to pursue professional development/education, and taking advantage of development opportunities, helps 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
- Support professional development and training
- Implement team rotations and cross training

Goal 5: Promote highest ethical standard and behavior among employees to promote public trust and confidence in City government

The Department moves toward accomplishing this goal by focusing on the following objectives.

- Offer training to management and staff on ethical standards
- Management review of standards and ethical practices with staff on a regular basis
- Provide training on ethic standards set by National Institute of Governmental Purchasing (NIGP), National Association of Purchasing Managers (NAPM), and/or National Contract Management Association (NCMA)

Service Efforts and Accomplishments

In 2009, 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 City-wide Procurement Card Program assists in providing a more efficient and streamlined method to purchase essential goods. The total spend volume for Fiscal Year 2009 was \$17.5 million. The Department will be more diligent in monitoring P-card spending in Fiscal Year 2010. Therefore, the estimated spend volume for Fiscal Year 2010 is approximately \$14 million by year-end.

Budget Dollars at Work: Performance Expectations

Goal 1: Procure high quality products and services for the best value, promoting fiscally-sound, efficient City government

Performance Measure	Baseline FY2008	Actual FY2009	Target FY2010
1. Percent reduction in pre-award timelines	N/A ¹	100%	10%

¹ This information was not tracked in Fiscal Year 2008.

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Performance Measure	Baseline FY2008	Actual FY2009	Target FY2010
2. Average time from bid opening to construction contract award	98 days	82 days	80 days
3. Average time from proposal receipt to vendor selection/contract award	228 days	96 days	100 days
4. Number of sustained contract protests	0	0	0

Goal 2: Effectively manage contracts and related data, promoting fiscally-sound, efficient City government

Performance Measure	Baseline FY2008	Actual FY2009	Target FY2010
1. Percent of contracts included in online document management system	67%	100%	100%
2. Average length of time to complete investigations regarding violations of Living Wage Ordinance	108 days	66 days ²	N/A

Goal 3: Provide excellent customer service

Performance Measure	Baseline FY2008	Actual FY2009	Target FY2010
1. Percent of customer survey results above satisfactory	N/A ³	>90%	90%
2. Percent of employees receiving customer services training	100%	100%	100%
3. Average time to establish purchase order	7 days	7 days	7 days

Goal 4: Pursue continuous workforce learning to ensure critical, high quality skill sets, and a responsive and innovative workforce

Performance Measure	Baseline FY2008	Actual FY2009	Target FY2010
1. Percent of eligible employees with professional certification	57%	58%	50%
2. Percent of eligible employees participating in professional organizations	70%	64%	50%

Goal 5: Promote highest ethical standard and behavior among employees to promote public trust and confidence in City government

Performance Measure	Baseline FY2008	Actual FY2009	Target FY2010
1. Percent of staff attending City-wide training on ethics and general citywide codes of conduct	N/A	N/A ⁴	100%

Budget Dollars at Work: Sizing and Workload Data

	Actual FY2006	Actual FY2007	Actual FY2008	Actual FY2009	Target FY2010
Sizing Data					
Procurement card spend volume	\$3.5M	\$6.9M	\$15.0M	\$17.5M	\$14.0M

² This measure moved to the Administration Department mid-year. Data reflects reporting for 7/1/08-12/31/08.

³ No customer survey was conducted in Fiscal Year 2008.

⁴ New performance measure for Fiscal Year 2010; therefore, no data was collected in Fiscal Year 2009.

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	Actual FY2006	Actual FY2007	Actual FY2008	Actual FY2009	Target FY2010
Number of attendees at "How to Do Business with the City" workshops	N/A	36	54	71	70
Workload Data					
Number of purchase orders generated	3,327	8,935	7,814	9,410	7,100
Value of purchase orders generated	\$209.2M	\$439.8M	\$579.5M	\$811.5M	\$500.0M
Number of procurement contracts	470	530	338	998	535
Value of procurement contracts	\$60.2M	\$91.8M	\$75.9M	\$161.2M	\$95.0M
Number of construction contracts	61	70	71	87	130
Value of construction contracts	\$39.8M	\$48.6M	\$210.0M	\$127.5M	\$400.0M

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Department Summary

Purchasing & Contracting				
	FY 2008 BUDGET	FY 2009 BUDGET	FY 2010 FINAL	FY 2009-2010 CHANGE
Positions	74.00	65.00	62.00	(3.00)
Personnel Expense	\$ 6,366,024	\$ 5,240,346	\$ 4,866,374	\$ (373,972)
Non-Personnel Expense	\$ 23,076,776	\$ 22,973,185	\$ 23,181,447	\$ 208,262
TOTAL	\$ 29,442,800	\$ 28,213,531	\$ 28,047,821	\$ (165,710)

Department Staffing

	FY 2008 BUDGET	FY 2009 BUDGET	FY 2010 FINAL
GENERAL FUND			
Purchasing & Contracting			
Purchasing & Contracting Operations	34.00	41.00	36.00
Purchasing & Contracting Programs	18.00	2.00	4.00
Total	52.00	43.00	40.00
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	74.00	65.00	62.00

Department Expenditures

	FY 2008 BUDGET	FY 2009 BUDGET	FY 2010 FINAL
GENERAL FUND			
Purchasing & Contracting			
Purchasing & Contracting	\$ 52,776	\$ (142,248)	\$ (112,500)
Purchasing & Contracting Operations	\$ 3,141,490	\$ 4,170,636	\$ 3,485,703
Purchasing & Contracting Programs	\$ 2,419,229	\$ 411,827	\$ 894,061
Total	\$ 5,613,495	\$ 4,440,215	\$ 4,267,264
CENTRAL STORES INTERNAL SERVICE FUND			
Central Stores			
Central Stores	\$ 27,199	\$ 57,206	\$ 17,753
Division Management	\$ 54,551	\$ 41,555	\$ 31,467
Inventory Purchases	\$ 21,967,515	\$ 21,967,515	\$ 21,967,515
Mailroom Operations	\$ 485,757	\$ 499,065	\$ 494,866
Storeroom Operations	\$ 965,999	\$ 917,478	\$ 903,443

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Department Expenditures

	FY 2008 BUDGET	FY 2009 BUDGET	FY 2010 FINAL
CENTRAL STORES INTERNAL SERVICE FUND			
Central Stores			
Stores Accounting	\$ 328,280	\$ 290,497	\$ 365,513
Total	\$ 23,829,301	\$ 23,773,316	\$ 23,780,557
DEPARTMENT TOTAL	\$ 29,442,796	\$ 28,213,531	\$ 28,047,821

Significant Budget Adjustments

GENERAL FUND

Purchasing & Contracting	Positions	Cost	Revenue
Salary and Benefit Adjustments	0.00 \$	21,141 \$	0
Adjustments to reflect the annualization of the Fiscal Year 2009 negotiated salary compensation schedule, changes to average salaries, retirement contributions, retiree health contributions, and labor negotiation adjustments.			
Equipment/Support for Information Technology	0.00 \$	291,978 \$	0
Funding allocated according to a zero-based annual review of information technology funding requirements and priority analyses.			
Program Manager Addition	2.00 \$	268,940 \$	0
Addition of 2.00 Program Managers as a result of department restructure related to the new Enterprise Resource Planning (ERP) System implemented in July 2009. The additional positions will allow the department to maximize the use of the new ERP System.			
Non-Discretionary Adjustment	0.00 \$	70,515 \$	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.			
Funding of Terminal Leave	0.00 \$	23,796 \$	0
Funding of additional personnel expenditures for terminal leave paid to employees who, upon conclusion of their tenure with the City, possess a large leave balance.			
Revised Revenue	0.00 \$	0 \$	21,791
Adjustment to reflect Fiscal Year 2010 revenue projections.			

Purchasing & Contracting

Significant Budget Adjustments

GENERAL FUND

Purchasing & Contracting	Positions	Cost	Revenue
<p>OneSD Support Department Transfer</p> <p>Transfer of position(s) to the newly created OneSD Support Department to manage the integrated ERP System.</p>	(1.00) \$	(75,446) \$	0
<p>ERP Backfill Reduction</p> <p>Reduction of limited positions and/or revenue that were added in the Fiscal Year 2009 Annual Budget for the purpose of backfilling positions required to work on the City's OneSD Project.</p>	(1.00) \$	(84,403) \$	(90,056)
<p>Vacancy Savings</p> <p>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 attrition and salary differentials for new employees.</p>	0.00 \$	(86,732) \$	0
<p>Removal of Online Purchasing Information System (OPIS) Budget</p> <p>Adjustment to remove the OPIS budget as OPIS expenses are budgeted within the IT budget.</p>	0.00 \$	(161,830) \$	0
<p>Fiscal Year 2009 Budget Amendment</p> <p>Adjustments to personnel and non-personnel expenses, and revenue as a result of the Fiscal Year 2009 Budget Amendment. These adjustments are further discussed in Volume 1: Budget Overview and Schedules.</p>	(1.00) \$	(217,802) \$	0
<p>Transfer of Living Wage Program</p> <p>Transfer of 1.00 Supervising Management Analyst, 1.00 Senior Management Analyst, and associated non-personnel expenses from Purchasing & Contracting to the Administration Department.</p>	(2.00) \$	(223,108) \$	0

CENTRAL STORES INTERNAL SERVICE FUND

Central Stores	Positions	Cost	Revenue
<p>Salary and Benefit Adjustments</p> <p>Adjustments to reflect the annualization of the Fiscal Year 2009 negotiated salary compensation schedule, changes to average salaries, retirement contributions, retiree health contributions, and labor negotiation adjustments.</p>	0.00 \$	(32,603) \$	0
<p>Non-Discretionary Adjustment</p> <p>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.</p>	0.00 \$	75,414 \$	0

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Significant Budget Adjustments

CENTRAL STORES INTERNAL SERVICE FUND

Central Stores	Positions	Cost	Revenue
Revised Revenue	0.00 \$	0 \$	7,241
Adjustment to reflect Fiscal Year 2010 revenue projections.			
Equipment/Support for Information Technology	0.00 \$	(9,315) \$	0
Funding allocated according to a zero-based annual review of information technology funding requirements and priority analyses.			
Vacancy Savings	0.00 \$	(26,255) \$	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 attrition and salary differentials for new employees.			

Expenditures by Category

	FY 2008 BUDGET	FY 2009 BUDGET	FY 2010 FINAL
PERSONNEL			
Salaries & Wages	\$ 4,114,998	\$ 3,375,477	\$ 3,092,934
Fringe Benefits	\$ 2,251,026	\$ 1,864,869	\$ 1,773,440
SUBTOTAL PERSONNEL	\$ 6,366,024	\$ 5,240,346	\$ 4,866,374
NON-PERSONNEL			
Supplies & Services	\$ 22,765,737	\$ 22,683,168	\$ 22,627,400
Information Technology	\$ 164,611	\$ 160,625	\$ 421,270
Energy/Utilities	\$ 119,884	\$ 107,848	\$ 113,233
Equipment Outlay	\$ 26,544	\$ 21,544	\$ 19,544
SUBTOTAL NON-PERSONNEL	\$ 23,076,776	\$ 22,973,185	\$ 23,181,447
TOTAL	\$ 29,442,800	\$ 28,213,531	\$ 28,047,821

Revenues by Category

	FY 2008 BUDGET	FY 2009 BUDGET	FY 2010 FINAL
GENERAL FUND			
Revenue from Other Agencies	\$ 31,200	\$ 35,000	\$ 10,000
Charges for Current Services	\$ 1,345,781	\$ 791,174	\$ 606,850
Transfers from Other Funds	\$ -	\$ -	\$ 115,006
Other Revenues	\$ -	\$ 38,947	\$ 65,000
TOTAL	\$ 1,376,981	\$ 865,121	\$ 796,856

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Salary Schedule

GENERAL FUND

Purchasing & Contracting

<i>Class</i>	<i>Position Title</i>	<i>FY 2009 Positions</i>	<i>FY 2010 Positions</i>	<i>Salary</i>		<i>Total</i>
1105	Administrative Aide I	2.00	2.00	\$	42,243	\$ 84,486
1106	Sr Management Analyst	2.00	1.00	\$	69,135	\$ 69,135
1107	Administrative Aide II	2.00	2.00	\$	48,897	\$ 97,794
1153	Asst Engineer-Civil	0.00	1.00	\$	66,931	\$ 66,931
1218	Assoc Management Analyst	5.00	5.00	\$	61,687	\$ 308,437
1221	Assoc Engineer-Civil	2.00	2.00	\$	77,530	\$ 155,060
1237	Payroll Specialist I	1.00	0.00	\$	-	\$ -
1282	Procurement Specialist	8.00	7.00	\$	56,035	\$ 392,242
1287	Buyers Aide II	1.00	0.00	\$	-	\$ -
1349	Info Systems Analyst III	1.00	1.00	\$	69,453	\$ 69,453
1401	Info Systems Technician	1.00	0.00	\$	-	\$ -
1535	Clerical Assistant II	2.00	1.00	\$	34,340	\$ 34,340
1536	Contracts Processing Clerk	3.00	3.00	\$	38,617	\$ 115,850
1648	Payroll Specialist II	0.00	1.00	\$	40,262	\$ 40,262
1746	Word Processing Operator	3.00	3.00	\$	36,514	\$ 109,542
1783	Principal Procurement Specialist	3.00	3.00	\$	69,405	\$ 208,215
1850	Sr Procurement Specialist	1.00	1.00	\$	52,962	\$ 52,962
1855	Sr Civil Engineer	2.00	2.00	\$	89,183	\$ 178,366
1876	Executive Secretary	0.00	1.00	\$	49,992	\$ 49,992
1879	Sr Clerk/Typist	1.00	1.00	\$	41,822	\$ 41,822
1917	Supv Management Analyst	1.00	0.00	\$	-	\$ -
2132	Department Director	1.00	1.00	\$	139,678	\$ 139,678
2176	Purchasing Agent	1.00	0.00	\$	-	\$ -
2270	Program Manager	0.00	2.00	\$	94,569	\$ 189,138
	Vacancy Factor Adjustment	0.00	0.00	\$	-	\$ (86,732)
	Furlough Savings	0.00	0.00	\$	-	\$ (50,136)
	Termination Pay Annual Leave	0.00	0.00	\$	-	\$ 23,796
	Total	43.00	40.00			\$ 2,290,633

CENTRAL STORES INTERNAL SERVICE FUND

Central Stores

<i>Class</i>	<i>Position Title</i>	<i>FY 2009 Positions</i>	<i>FY 2010 Positions</i>	<i>Salary</i>		<i>Total</i>
1104	Account Clerk	2.00	2.00	\$	36,680	\$ 73,359
1194	Auto Messenger II	6.00	6.00	\$	34,903	\$ 209,418
1236	Auto Messenger	1.00	1.00	\$	30,203	\$ 30,203
1282	Procurement Specialist	1.00	1.00	\$	56,035	\$ 56,035
1533	Stores Operations Supv	1.00	1.00	\$	53,202	\$ 53,202
1535	Clerical Assistant II	2.00	2.00	\$	34,340	\$ 68,680
1879	Sr Clerk/Typist	1.00	1.00	\$	41,820	\$ 41,820

Purchasing & Contracting

Salary Schedule

CENTRAL STORES INTERNAL SERVICE FUND

Central Stores

<i>Class</i>	<i>Position Title</i>	<i>FY 2009 Positions</i>	<i>FY 2010 Positions</i>		<i>Salary</i>		<i>Total</i>
1899	Stock Clerk	5.00	5.00	\$	33,985	\$	169,924
1901	Storekeeper III	1.00	1.00	\$	46,252	\$	46,252
1902	Storekeeper I	1.00	1.00	\$	40,090	\$	40,090
1903	Storekeeper II	1.00	1.00	\$	44,125	\$	44,125
	Vacancy Factor Adjustment	0.00	0.00	\$	-	\$	(26,255)
	Furlough Savings	0.00	0.00	\$	-	\$	(20,828)
	Overtime Budgeted	0.00	0.00	\$	-	\$	16,276
	Total	22.00	22.00			\$	802,301
PURCHASING & CONTRACTING TOTAL		65.00	62.00			\$	3,092,934

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Revenue and Expense Statement (Non-General Fund)

CENTRAL STORES INTERNAL SERVICE FUND 50010	FY 2008* BUDGET	FY 2009* BUDGET	FY 2010 FINAL
BEGINNING BALANCE AND RESERVE			
Balance from Prior Year	\$ 1,717,409	\$ 1,247,937	\$ 777,443
TOTAL BALANCE	\$ 1,717,409	\$ 1,247,937	\$ 777,443
REVENUE			
Interoffice Mail Delivery	\$ 329,011	\$ 329,011	\$ 371,319
Reimbursed Material	\$ 21,967,515	\$ 21,821,289	\$ 21,841,382
Reimbursed Materials Surcharge	\$ 1,525,712	\$ 1,518,016	\$ 1,462,856
Surplus Property Sales	\$ 30,000	\$ 30,000	\$ 30,000
Surplus Property Surcharge	\$ 75,000	\$ 75,000	\$ 75,000
TOTAL REVENUE	\$ 23,927,238	\$ 23,773,316	\$ 23,780,557
TOTAL BALANCE AND REVENUE	\$ 25,644,647	\$ 25,021,253	\$ 24,558,000
OPERATING EXPENSE			
Inventory Purchases	\$ 21,967,515	\$ 21,967,515	\$ 21,967,515
Personnel and Non-Personnel Expense	\$ 1,861,786	\$ 1,805,801	\$ 1,813,042
TOTAL OPERATING EXPENSE	\$ 23,829,301	\$ 23,773,316	\$ 23,780,557
TOTAL EXPENSE	\$ 23,829,301	\$ 23,773,316	\$ 23,780,557
BALANCE	\$ 1,815,346	\$ 1,247,937	\$ 777,443
TOTAL EXPENSE, RESERVE, AND BALANCE	\$ 25,644,647	\$ 25,021,253	\$ 24,558,000

* The Fiscal Years 2008 and 2009 columns reflect final budget amounts from the Fiscal Year 2008 and 2009 Annual Budgets. As such, balances and reserves do not reflect carryover from the previous fiscal year.

