

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 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
- 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, continue to pursue professional development/education, and take 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 ethical 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 2008, 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 citywide Procurement Card Program assists in providing a more efficient and streamlined method to purchase essential goods. Spend volume for Fiscal Year 2008 exceeded \$15.0 million (a 220 percent increase from the previous fiscal year). The spend volume for Fiscal Year 2009 is anticipated to be more than \$17.0 million by year-end.

Another time and cost saving effort was to hire an outside firm to manage insurance review and renewals. This has enabled the Contracting team to more effectively manage the construction contracts and to ensure award of contracts in a timely manner.

The Construction Contracting Team, in its efforts to streamline the contracting process, established an electronic specifications and plans distribution system. This process saves time and cost in printing solicitations and enabled the Purchasing and Contracting Department to suspend the need to sell contract documents in the reception area.

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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	Estimated FY2009	Target FY2010
1. Percent reduction in pre-award timelines	N/A ¹	10%	10%
2. Average time from bid opening to construction contract award	98 days	85 days	80 days
3. Average time from proposal receipt to vendor selection/contract award	228 days	120 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	Estimated FY2009	Target FY2010
1. Percent of contracts included in online document management system	67%	70%	75%
2. Average length of time to complete investigations regarding violations of Living Wage Ordinance	108 days	90 days	N/A

Goal 3: Provide excellent customer service

Performance Measure	Baseline FY2008	Estimated FY2009	Target FY2010
1. Percent of customer survey results above satisfactory	N/A ²	85%	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	Estimated FY2009	Target FY2010
1. Percent of eligible employees with professional certification	57%	50%	50%
2. Percent of eligible employees participating in professional organizations	70%	50%	50%

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

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

¹ This information was not tracked in Fiscal Year 2008.

² No customer survey was conducted in Fiscal Year 2008.

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Budget Dollars at Work: Sizing and Workload Data

	Actual FY2006	Actual FY2007	Actual FY2008	Estimated FY2009	Target FY2010
Sizing Data					
Procurement card spend volume	\$3.5M	\$6.9M	\$15.0M	\$18.0M	\$20.0M
Number of attendees at “How to Do Business with the City” workshops	N/A	36	54	64	70
Workload Data					
Number of purchase orders generated	3,327	8,935	7,814	7,325	7,100
Value of purchase orders generated	\$209.2M	\$439.8M	\$579.5M	\$520.5M	\$500.0M
Number of procurement contracts	470	530	338	500	535
Value of procurement contracts	\$60.2M	\$91.8M	\$75.9M	\$90.0M	\$95.0M
Number of construction contracts	61	70	71	107	130
Value of construction contracts	\$39.8M	\$48.6M	\$210.0M	\$237.0M	\$400.0M

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Department Summary

Purchasing & Contracting				
	FY 2008 BUDGET	FY 2009 BUDGET	FY 2010 PROPOSED	FY 2009-2010 CHANGE
Positions	74.00	65.00	62.00	(3.00)
Personnel Expense	\$ 6,366,024	\$ 5,240,346	\$ 5,036,930	\$ (203,416)
Non-Personnel Expense	\$ 23,076,776	\$ 22,973,185	\$ 23,365,094	\$ 391,909
TOTAL	\$ 29,442,800	\$ 28,213,531	\$ 28,402,024	\$ 188,493

Department Staffing

	FY 2008 BUDGET	FY 2009 BUDGET	FY 2010 PROPOSED
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 PROPOSED
GENERAL FUND			
Purchasing & Contracting			
Purchasing & Contracting	\$ 52,776	\$ (142,248)	\$ (86,732)
Purchasing & Contracting Operations	\$ 3,141,490	\$ 4,170,636	\$ 3,719,441
Purchasing & Contracting Programs	\$ 2,419,229	\$ 411,827	\$ 933,598
Total	\$ 5,613,495	\$ 4,440,215	\$ 4,566,307
CENTRAL STORES INTERNAL SERVICE FUND			
Central Stores			
Central Stores	\$ 27,199	\$ 57,206	\$ 42,935
Division Management	\$ 54,551	\$ 41,555	\$ 34,601
Inventory Purchases	\$ 21,967,515	\$ 21,967,515	\$ 21,967,515
Mailroom Operations	\$ 485,757	\$ 499,065	\$ 501,725
Storeroom Operations	\$ 965,999	\$ 917,478	\$ 918,449

Purchasing & Contracting

Department Expenditures

	FY 2008 BUDGET	FY 2009 BUDGET	FY 2010 PROPOSED
CENTRAL STORES INTERNAL SERVICE FUND			
Central Stores			
Stores Accounting	\$ 328,280	\$ 290,497	\$ 370,492
Total	\$ 23,829,301	\$ 23,773,316	\$ 23,835,717
DEPARTMENT TOTAL	\$ 29,442,796	\$ 28,213,531	\$ 28,402,024

Significant Budget Adjustments

GENERAL FUND

Purchasing & Contracting	Positions	Cost	Revenue
Salary and Benefit Adjustments	0.00 \$	150,042 \$	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 fringe adjustments.			
Equipment/Support for Information Technology	0.00 \$	306,503 \$	0
Funding allocated according to a zero-based annual review of information technology funding requirements and priority analyses.			
Program Manager Addition	2.00 \$	282,486 \$	0
Addition of 2.00 Program Manager positions.			
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 \$	111,791
Adjustment to reflect Fiscal Year 2010 revenue projections.			
SAP Support Department Transfer	(1.00) \$	(76,678) \$	0
Transfer of position(s) to the newly created SAP Support Department to manage the integrated ERP System.			

Purchasing & Contracting

Significant Budget Adjustments

GENERAL FUND

Purchasing & Contracting	Positions	Cost	Revenue
ERP Backfill Reduction 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.	(1.00) \$	(86,356) \$	(90,056)
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 attrition and salary differentials for new employees.	0.00 \$	(86,732) \$	0
Fiscal Year 2009 Budget Amendment 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.	(1.00) \$	(226,275) \$	0
Transfer of Living Wage Program Transfer of 1.00 Supervising Management Analyst, 1.00 Senior Management Analyst, and associated non-personnel expenses from Purchasing & Contracting to Administration.	(2.00) \$	(231,209) \$	0

CENTRAL STORES INTERNAL SERVICE FUND

Central Stores	Positions	Cost	Revenue
Salary and Benefit Adjustments Adjustments to reflect the annualization of the Fiscal Year 2009 negotiated salary compensation schedule, changes to average salaries, retirement contributions, retiree health contributions, and fringe adjustments.	0.00 \$	15,265 \$	0
Non-Discretionary Adjustment 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.	0.00 \$	80,491 \$	0
Revised Revenue Adjustment to reflect Fiscal Year 2010 revenue projections.	0.00 \$	0 \$	62,401
Equipment/Support for Information Technology Funding allocated according to a zero-based annual review of information technology funding requirements and priority analyses.	0.00 \$	(7,100) \$	0

Purchasing & Contracting

Significant Budget Adjustments

CENTRAL STORES INTERNAL SERVICE FUND

Central Stores	Positions	Cost	Revenue
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 PROPOSED
PERSONNEL			
Salaries & Wages	\$ 4,114,998	3,375,477	3,264,004
Fringe Benefits	\$ 2,251,026	1,864,869	1,772,926
SUBTOTAL PERSONNEL	6,366,024	5,240,346	5,036,930
NON-PERSONNEL			
Supplies & Services	\$ 22,765,737	22,683,168	22,791,173
Information Technology	\$ 164,611	160,625	441,048
Energy/Utilities	\$ 119,884	107,848	113,329
Equipment Outlay	\$ 26,544	21,544	19,544
SUBTOTAL NON-PERSONNEL	23,076,776	22,973,185	23,365,094
TOTAL	29,442,800	28,213,531	28,402,024

Revenues by Category

	FY 2008 BUDGET	FY 2009 BUDGET	FY 2010 PROPOSED
GENERAL FUND			
Revenue from Other Agencies	\$ 31,200	\$ 35,000	\$ 10,000
Charges for Current Services	\$ 1,345,781	\$ 791,174	\$ 696,850
Transfers from Other Funds	\$ -	\$ -	\$ 115,006
Other Revenues	\$ -	\$ 38,947	\$ 65,000
TOTAL	\$ 1,376,981	\$ 865,121	\$ 886,856

Salary Schedule

GENERAL FUND

Purchasing & Contracting

Class	Position Title	FY 2009 Positions	FY 2010 Positions	Salary	Total
1105	Administrative Aide I	2.00	2.00	\$ 43,549	\$ 87,098
1106	Sr Management Analyst	2.00	1.00	\$ 71,273	\$ 71,273

Purchasing & Contracting

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>
1107	Administrative Aide II	2.00	2.00	\$	50,409	\$ 100,818
1153	Asst Engineer-Civil	0.00	1.00	\$	69,001	\$ 69,001
1218	Assoc Management Analyst	5.00	5.00	\$	63,595	\$ 317,977
1221	Assoc Engineer-Civil	2.00	2.00	\$	79,928	\$ 159,856
1237	Payroll Specialist I	1.00	0.00	\$	-	\$ -
1282	Procurement Specialist	8.00	7.00	\$	57,768	\$ 404,373
1287	Buyers Aide II	1.00	0.00	\$	-	\$ -
1349	Info Systems Analyst III	1.00	1.00	\$	71,601	\$ 71,601
1401	Info Systems Technician	1.00	0.00	\$	-	\$ -
1535	Clerical Assistant II	2.00	1.00	\$	35,402	\$ 35,402
1536	Contracts Processing Clerk	3.00	3.00	\$	39,811	\$ 119,433
1648	Payroll Specialist II	0.00	1.00	\$	41,507	\$ 41,507
1746	Word Processing Operator	3.00	3.00	\$	37,643	\$ 112,929
1783	Principal Procurement Specialist	3.00	3.00	\$	71,552	\$ 214,656
1850	Sr Procurement Specialist	1.00	1.00	\$	54,600	\$ 54,600
1855	Sr Civil Engineer	2.00	2.00	\$	91,941	\$ 183,882
1876	Executive Secretary	0.00	1.00	\$	51,538	\$ 51,538
1879	Sr Clerk/Typist	1.00	1.00	\$	43,115	\$ 43,115
1917	Supv Management Analyst	1.00	0.00	\$	-	\$ -
2132	Department Director	1.00	1.00	\$	143,998	\$ 143,998
2176	Purchasing Agent	1.00	0.00	\$	-	\$ -
2270	Program Manager	0.00	2.00	\$	97,494	\$ 194,988
	Vacancy Factor Adjustment	0.00	0.00	\$	-	\$ (86,732)
	Termination Pay Annual Leave	0.00	0.00	\$	-	\$ 23,796
Total		43.00	40.00		\$	2,415,109

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	\$	37,814	\$ 75,628
1194	Auto Messenger II	6.00	6.00	\$	35,982	\$ 215,894
1236	Auto Messenger	1.00	1.00	\$	31,137	\$ 31,137
1282	Procurement Specialist	1.00	1.00	\$	57,768	\$ 57,768
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	\$	43,114	\$ 43,114
1899	Stock Clerk	5.00	5.00	\$	35,036	\$ 175,179
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 2009 Positions</i>	<i>FY 2010 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	\$	-	\$	(26,255)
	Overtime Budgeted	0.00	0.00	\$	-	\$	16,276
	Total	22.00	22.00			\$	848,895
PURCHASING & CONTRACTING TOTAL		65.00	62.00			\$	3,264,004

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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 PROPOSED
BEGINNING BALANCE AND RESERVE			
Balance from Prior Year	\$ 1,717,409	\$ 1,247,937	\$ (1,016,197)
TOTAL BALANCE	\$ 1,717,409	\$ 1,247,937	\$ (1,016,197)
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	\$ 1,518,016
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	\$ 23,835,717
TOTAL BALANCE AND REVENUE	\$ 25,644,647	\$ 25,021,253	\$ 22,819,520
OPERATING EXPENSE			
Inventory Purchases	\$ 21,967,515	\$ 21,967,515	\$ 21,967,515
Personnel and Non-Personnel Expense	\$ 1,861,786	\$ 1,805,801	\$ 1,868,202
TOTAL OPERATING EXPENSE	\$ 23,829,301	\$ 23,773,316	\$ 23,835,717
TOTAL EXPENSE	\$ 23,829,301	\$ 23,773,316	\$ 23,835,717
BALANCE	\$ 1,815,346	\$ 1,247,937	\$ (1,016,197)
TOTAL EXPENSE, RESERVE, AND BALANCE	\$ 25,644,647	\$ 25,021,253	\$ 22,819,520

* At the time of publication, audited financial statements for Fiscal Year 2008 were not available. Therefore, 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.

