

Purchasing & Contracting



Page Intentionally Left Blank

Purchasing & Contracting



Department Description

The Purchasing & Contracting Department administers the City's centralized procurement and materials management functions to ensure the availability of supplies, equipment, and services to meet the City's operational needs. The Department establishes and manages procurement standards which meet or exceed City, State, or federal regulations and requirements. Purchasing and Contracting staff strive to provide responsive customer service for internal (City departments) and external (bidders and proposers) clients and customers.

The Department also manages Central Stores and the Living Wage and Equal Opportunity Contracting (EOC) programs. The Living Wage Program ensures compliance with the City's Living Wage Ordinance through oversight of contract requirements, complaint investigations, and proactive contract reviews. The Program provides ongoing assistance in understanding and fulfilling obligations for City staff, covered employers and employees, labor and community organizations, and the public. The Equal Opportunity Contracting Program assists businesses and the labor market with increased access to contracting opportunities with the City of San Diego. Working in partnership with City departments and other agencies, EOC monitors and enforces equal opportunity and public contracting laws related to the use of construction contractors, consultants, vendors, and suppliers.

The Department's mission is:

To provide innovative, cost-effective procurement solutions through inclusive partnerships that foster social equity

The Department's vision is:

To be a national model in public procurement

Purchasing & Contracting

Did you know?

- The Purchasing & Contracting Department is responsible for procuring almost \$1.0 billion in goods and services annually.
- The Living Wage Program has recovered \$600,000 in lost wages since its inception.
- The EOC Program is currently monitoring over \$1.0 billion in Capital Improvement Projects subject to Prevailing Wage.

Goals and Objectives

Goal 1: Provide quality goods and services in a fiscally responsible manner

- Continuously improve sound procurement policies and procedures
- Optimize use of SAP
- Provide contract administration
- Procure goods and services expeditiously

Goal 2: Ensure equality, non-discrimination, and compliance in the procurement of City contracts

- Encourage small and local businesses to participate in the City's Small Local Business Enterprise (SLBE) Program
- Ensure non-discrimination in City procurement
- Monitor contracts subject to the Prevailing Wage Ordinance

Goal 3: Ensure the Living Wage Ordinance (LWO) requirements are understood and met

- Maintain records
- Monitor contracts
- Provide educational information to contractors and employees

Goal 4: Use best practices in the delivery of procured goods and mail

- Maintain optimum inventories
- Minimize loss
- Provide exceptional delivery services
- Discard or recycle used assets

Key Performance Indicators

Performance Indicator	FY2016 Target	FY2016 Actual	FY2017 Target	FY2017 Actual	FY2018 Target
1. Average number of days to award a contract	68	68	65	66	65
2. Percent of Living Wage Ordinance violations investigated and addressed within 60 days	100%	100%	100%	100%	100%
3. Percent of total transactions on contract under \$150,000 ¹	31%	31%	50%	33%	40%
4. Percentage increase in customer satisfaction	N/A	N/A	5%	1%	5%
5. Percentage of contracts, based on total dollar value, awarded to Small Local Business Enterprises (SLBEs) ²	N/A	24%	20%	31%	20%

Purchasing & Contracting

Key Performance Indicators

Performance Indicator	FY2016 Target	FY2016 Actual	FY2017 Target	FY2017 Actual	FY2018 Target
6. Percentage of purchase orders processed within 10 days	79%	79%	90%	83%	90%

1. The Department will continue implementing workflow and system improvements in Fiscal Year 2018 which will help achieve the target of 40%.
2. Increase in percent of contracts awarded to SLBE's due mainly to increase in amount of contracts subject to SLBE requirements in FY2017.



Page Left Intentionally Blank

Purchasing & Contracting

Department Summary

	FY2016 Actual	FY2017 Budget	FY2018 Adopted	FY2017-2018 Change
FTE Positions (Budgeted)	82.96	82.96	79.96	(3.00)
Personnel Expenditures	\$ 6,151,151	\$ 7,132,295	\$ 7,416,497	\$ 284,202
Non-Personnel Expenditures	8,891,354	12,804,744	9,434,989	(3,369,755)
Total Department Expenditures	\$ 15,042,504	\$ 19,937,039	\$ 16,851,486	\$ (3,085,553)
Total Department Revenue	\$ 10,758,413	\$ 14,821,892	\$ 11,401,962	\$ (3,419,930)

General Fund

Department Expenditures

	FY2016 Actual	FY2017 Budget	FY2018 Adopted	FY2017-2018 Change
Central Stores	\$ -	\$ -	\$ 20,480	\$ 20,480
Equal Opportunity Contracting	1,970,593	2,051,221	2,202,101	150,880
Purchasing & Contracting	3,912,904	4,522,395	4,507,935	(14,460)
Total	\$ 5,883,497	\$ 6,573,616	\$ 6,730,516	\$ 156,900

Department Personnel

	FY2016 Budget	FY2017 Budget	FY2018 Adopted	FY2017-2018 Change
Equal Opportunity Contracting	19.48	19.48	19.48	0.00
Purchasing & Contracting	40.48	40.48	38.48	(2.00)
Total	59.96	59.96	57.96	(2.00)

Significant Budget Adjustments

	FTE	Expenditures	Revenue
Salary and Benefit Adjustments	0.00	\$ 283,063	\$ -
Adjustments to reflect savings resulting from vacant positions for any period of the fiscal year, retirement contributions, retiree health contributions, and labor negotiations.			
Administrative Appeals Hearing Program	1.00	186,513	-
Addition of 1.00 Program Coordinator and associated non-personnel expenditures to support the City's Administrative Appeals Hearing Program.			
Non-Discretionary Adjustment	0.00	78,709	-
Adjustment to expenditure allocations that are determined outside of the department's direct control. These allocations are generally based on prior year expenditure trends and examples of these include utilities, insurance, and rent.			
Non-Standard Hour Personnel Funding	0.00	(83)	-
Funding allocated according to a zero-based annual review of hourly funding requirements.			
Hourly Sick Leave	0.00	(110)	-
Adjustment to reflect prior year expenditure trends, related to paid sick leave benefits for eligible hourly employees consistent with the requirements of Assembly Bill 1522.			

Purchasing & Contracting

Significant Budget Adjustments (Cont'd)

	FTE	Expenditures	Revenue
Reduction of Non-Personnel Expenditures	0.00	(16,040)	-
Reduction of non-personnel expenditures based on historical savings.			
Reduction of Senior Management Analyst	(1.00)	(85,843)	-
Reduction of 1.00 Senior Management Analyst associated with the Living Wage Program.			
Reduction of Administrative Positions	(2.00)	(128,575)	-
Reduction of 1.00 Contracts Processing Clerk and 1.00 Senior Clerk Typist associated with the Administration section.			
Support for Information Technology	0.00	(160,734)	-
Adjustment to expenditure allocations according to a zero-based annual review of information technology funding requirements.			
Total	(2.00)	\$ 156,900	\$ -

Expenditures by Category

	FY2016 Actual	FY2017 Budget	FY2018 Adopted	FY2017-2018 Change
PERSONNEL				
Personnel Cost	\$ 2,991,280	\$ 3,514,856	\$ 3,533,721	\$ 18,865
Fringe Benefits	1,654,012	1,989,198	2,170,954	181,756
PERSONNEL SUBTOTAL	4,645,293	5,504,054	5,704,675	200,621
NON-PERSONNEL				
Supplies	\$ 59,814	\$ 63,669	\$ 67,791	\$ 4,122
Contracts	219,125	328,559	441,207	112,648
Information Technology	949,644	666,428	505,694	(160,734)
Energy and Utilities	6,463	3,595	3,838	243
Other	3,158	7,311	7,311	-
NON-PERSONNEL SUBTOTAL	1,238,205	1,069,562	1,025,841	(43,721)
Total	\$ 5,883,497	\$ 6,573,616	\$ 6,730,516	\$ 156,900

Revenues by Category

	FY2016 Actual	FY2017 Budget	FY2018 Adopted	FY2017-2018 Change
Charges for Services	\$ 1,296,712	\$ 1,458,716	\$ 1,458,716	\$ -
Other Revenue	487	-	-	-
Total	\$ 1,297,199	\$ 1,458,716	\$ 1,458,716	\$ -

Personnel Expenditures

Job Number	Job Title / Wages	FY2016 Budget	FY2017 Budget	FY2018 Adopted	Salary Range	Total
FTE, Salaries, and Wages						
20000012	Administrative Aide 1	0.00	0.00	1.00	\$36,962 - \$44,533	\$ 44,533
20000119	Associate Management Analyst	12.00	12.00	13.00	54,059 - 65,333	709,333
21000328	Associate Procurement Contracting Officer	0.00	0.00	8.00	54,059 - 65,333	487,254

Purchasing & Contracting

Personnel Expenditures (Cont'd)

Job Number	Job Title / Wages	FY2016 Budget	FY2017 Budget	FY2018 Adopted	Salary Range	Total
20000232	Buyer's Aide 1	0.00	1.00	1.00	36,962 - 44,533	44,533
90000539	Clerical Assistant 2 - Hourly	0.48	0.48	0.48	29,931 - 36,067	15,825
20000545	Contracts Processing Clerk	5.00	3.00	1.00	32,968 - 39,811	32,968
20001101	Department Director	1.00	1.00	1.00	59,155 - 224,099	155,000
20001168	Deputy Director	1.00	1.00	1.00	46,966 - 172,744	125,000
20000924	Executive Secretary	1.00	1.00	1.00	43,555 - 52,666	46,073
20000290	Information Systems Analyst 2	0.00	1.00	1.00	54,059 - 65,333	61,242
20000293	Information Systems Analyst 3	1.00	1.00	1.00	59,363 - 71,760	71,760
90001073	Management Intern - Hourly	0.48	0.48	0.48	24,274 - 29,203	12,810
20000680	Payroll Specialist 2	1.00	1.00	1.00	34,611 - 41,787	40,116
20000173	Payroll Supervisor	1.00	1.00	1.00	39,686 - 48,069	44,611
20000791	Principal Procurement Specialist	4.00	4.00	1.00	59,363 - 71,864	70,427
20000227	Procurement Specialist	12.00	12.00	3.00	49,109 - 59,488	141,384
20001234	Program Coordinator	1.00	1.00	1.00	23,005 - 137,904	100,000
20001222	Program Manager	1.00	1.00	2.00	46,966 - 172,744	214,000
20000927	Senior Clerk/Typist	1.00	1.00	0.00	36,067 - 43,514	-
20000015	Senior Management Analyst	6.00	6.00	5.00	59,363 - 71,760	353,590
21000329	Senior Procurement Contracting Officer	0.00	0.00	2.00	59,363 - 71,760	137,273
20000879	Senior Procurement Specialist	5.00	5.00	4.00	53,955 - 65,270	234,519
20000970	Supervising Management Analyst	3.00	3.00	3.00	66,768 - 80,891	214,427
21000330	Supervising Procurement Contracting Officer	0.00	0.00	4.00	66,768 - 80,891	292,550
20000756	Word Processing Operator	3.00	3.00	1.00	31,491 - 37,918	36,067
	Bilingual - Regular					4,368
	Budgeted Vacancy Savings					(157,019)
	Overtime Budgeted					1,077
FTE, Salaries, and Wages Subtotal		59.96	59.96	57.96		\$ 3,533,721
		FY2016 Actual	FY2017 Budget	FY2018 Adopted	FY2017-2018 Change	

Fringe Benefits

Employee Offset Savings	\$ 16,098	\$ 16,244	\$ 16,718	\$ 474
Flexible Benefits	411,588	590,170	649,841	59,671
Insurance	4	-	-	-
Long-Term Disability	9,689	11,132	-	(11,132)
Medicare	45,389	50,998	51,434	436
Other Post-Employment Benefits	290,206	331,240	324,054	(7,186)
Retiree Medical Trust	4,221	5,521	6,213	692
Retirement 401 Plan	2,908	2,440	3,132	692
Retirement ADC	586,428	609,138	745,781	136,643
Retirement DROP	6,168	6,274	1,993	(4,281)
Risk Management Administration	49,700	57,232	54,594	(2,638)
Supplemental Pension Savings Plan	192,787	249,237	253,881	4,644
Unemployment Insurance	5,512	6,370	6,318	(52)

Purchasing & Contracting

	FY2016 Actual	FY2017 Budget	FY2018 Adopted	FY2017-2018 Change
Workers' Compensation	33,314	53,202	56,995	3,793
Fringe Benefits Subtotal	\$ 1,654,012	\$ 1,989,198	\$ 2,170,954	\$ 181,756
Total Personnel Expenditures			\$ 5,704,675	

Central Stores Fund

Department Expenditures

	FY2016 Actual	FY2017 Budget	FY2018 Adopted	FY2017-2018 Change
Central Stores	\$ 9,159,007	\$ 13,363,423	\$ 10,120,354	\$ (3,243,069)
Purchasing & Contracting	-	-	616	616
Total	\$ 9,159,007	\$ 13,363,423	\$ 10,120,970	\$ (3,242,453)

Department Personnel

	FY2016 Budget	FY2017 Budget	FY2018 Adopted	FY2017-2018 Change
Central Stores	23.00	23.00	22.00	(1.00)
Total	23.00	23.00	22.00	(1.00)

Significant Budget Adjustments

	FTE	Expenditures	Revenue
Salary and Benefit Adjustments	0.00	\$ 136,786	\$ -
Adjustments to reflect savings resulting from vacant positions for any period of the fiscal year, retirement contributions, retiree health contributions, and labor negotiations.			
Support for Information Technology	0.00	11,922	-
Adjustment to expenditure allocations according to a zero-based annual review of information technology funding requirements.			
Hourly Sick Leave	0.00	(675)	-
Adjustment to reflect prior year expenditure trends, related to paid sick leave benefits for eligible hourly employees consistent with the requirements of Assembly Bill 1522.			
Non-Discretionary Adjustment	0.00	(12,516)	-
Adjustment to expenditure allocations that are determined outside of the department's direct control. These allocations are generally based on prior year expenditure trends and examples of these include utilities, insurance, and rent.			
Realignment of Budget	(1.00)	(3,377,970)	(3,377,599)
Reduction of 1.00 Stock Clerk, non-personnel expenditures and associated revenue related to a decrease in water meter sales and inventory.			
One-Time Reductions and Annualizations	0.00	-	(42,331)
Adjustment to reflect the removal of one-time revenues and expenditures, and the annualization of revenues and expenditures, implemented in Fiscal Year 2017.			
Total	(1.00)	\$ (3,242,453)	\$ (3,419,930)

Purchasing & Contracting

Expenditures by Category

	FY2016 Actual	FY2017 Budget	FY2018 Adopted	FY2017–2018 Change
PERSONNEL				
Personnel Cost	\$ 767,696	\$ 820,591	\$ 786,129	\$ (34,462)
Fringe Benefits	738,162	807,650	925,693	118,043
PERSONNEL SUBTOTAL	1,505,859	1,628,241	1,711,822	83,581
NON-PERSONNEL				
Supplies	\$ 6,777,202	\$ 10,992,655	\$ 7,716,980	\$ (3,275,675)
Contracts	697,688	573,606	516,738	(56,868)
Information Technology	22,424	34,846	46,768	11,922
Energy and Utilities	120,191	128,822	127,734	(1,088)
Other	2,929	928	928	-
Transfers Out	-	4,325	-	(4,325)
Capital Expenditures	32,715	-	-	-
NON-PERSONNEL SUBTOTAL	7,653,149	11,735,182	8,409,148	(3,326,034)
Total	\$ 9,159,007	\$ 13,363,423	\$ 10,120,970	\$ (3,242,453)

Revenues by Category

	FY2016 Actual	FY2017 Budget	FY2018 Adopted	FY2017–2018 Change
Charges for Services	\$ 9,293,588	\$ 13,243,176	\$ 9,767,246	\$ (3,475,930)
Other Revenue	157,776	120,000	176,000	56,000
Rev from Money and Prop	9,849	-	-	-
Total	\$ 9,461,214	\$ 13,363,176	\$ 9,943,246	\$ (3,419,930)

Personnel Expenditures

Job Number	Job Title / Wages	FY2016 Budget	FY2017 Budget	FY2018 Adopted	Salary Range	Total
FTE, Salaries, and Wages						
20000011	Account Clerk	2.00	2.00	2.00	\$31,491 - \$37,918	\$ 74,319
20000171	Auto Messenger 1	5.00	5.00	5.00	26,208 - 31,491	155,251
20000110	Auto Messenger 2	7.00	7.00	7.00	29,931 - 36,067	246,621
20000927	Senior Clerk/Typist	1.00	1.00	0.00	36,067 - 43,514	-
20000951	Stock Clerk	1.00	1.00	0.00	30,056 - 36,275	-
20000950	Stock Clerk	3.00	3.00	3.00	30,056 - 36,275	102,606
20000955	Storekeeper 1	2.00	2.00	3.00	34,611 - 41,517	116,148
20000956	Storekeeper 2	0.00	0.00	1.00	37,835 - 45,718	45,474
20000953	Storekeeper 3	1.00	1.00	0.00	39,811 - 47,882	-
20000538	Stores Operations Supervisor	1.00	1.00	1.00	45,573 - 55,078	53,112
	Budgeted Vacancy Savings					(30,056)
	Night Shift Pay					3,378
	Overtime Budgeted					19,276
FTE, Salaries, and Wages Subtotal		23.00	23.00	22.00		\$ 786,129
		FY2016 Actual	FY2017 Budget	FY2018 Adopted	FY2017–2018 Change	

Fringe Benefits

Employee Offset Savings	\$ 6,126	\$ 6,104	\$ 5,802	\$ (302)
Flexible Benefits	164,910	221,210	245,805	24,595

Purchasing & Contracting

	FY2016 Actual	FY2017 Budget	FY2018 Adopted	FY2017-2018 Change
Long-Term Disability	2,330	2,530	-	(2,530)
Medicare	11,430	11,013	10,436	(577)
Other Post-Employment Benefits	123,342	130,130	126,021	(4,109)
Retiree Medical Trust	182	381	378	(3)
Retirement 401 Plan	375	363	-	(363)
Retirement ADC	329,665	338,692	432,881	94,189
Retirement DROP	965	1,157	1,157	-
Risk Management Administration	20,946	22,484	21,231	(1,253)
Supplemental Pension Savings Plan	35,809	42,210	45,017	2,807
Unemployment Insurance	1,322	1,449	1,366	(83)
Workers' Compensation	40,761	29,927	35,599	5,672
Fringe Benefits Subtotal	\$ 738,162	\$ 807,650	\$ 925,693	\$ 118,043
Total Personnel Expenditures			\$ 1,711,822	

Purchasing & Contracting

Revenue and Expense Statement (Non-General Fund)

Central Stores Fund	FY2016 Actual	FY2017* Budget	FY2018 Adopted
BEGINNING BALANCE AND RESERVES			
Balance from Prior Year	\$ 135,666	\$ 437,872	\$ 330,741
TOTAL BALANCE AND RESERVES	\$ 135,666	\$ 437,872	\$ 330,741
REVENUE			
Charges for Services	\$ 9,293,588	\$ 13,243,176	\$ 9,767,246
Other Revenue	157,776	120,000	176,000
Revenue from Use of Money and Property	9,849	—	—
TOTAL REVENUE	\$ 9,461,214	\$ 13,363,176	\$ 9,943,246
TOTAL BALANCE, RESERVES, AND REVENUE	\$ 9,596,880	\$ 13,801,048	\$ 10,273,987
OPERATING EXPENSE			
Personnel Expenses	\$ 767,696	\$ 820,591	\$ 786,129
Fringe Benefits	738,162	807,650	925,693
Supplies	6,777,202	10,992,655	7,716,980
Contracts	697,688	573,606	516,738
Information Technology	22,424	34,846	46,768
Energy and Utilities	120,191	128,822	127,734
Other Expenses	2,929	928	928
Transfers Out	—	4,325	—
Capital Expenditures	32,715	—	—
TOTAL OPERATING EXPENSE	\$ 9,159,007	\$ 13,363,423	\$ 10,120,970
TOTAL EXPENSE	\$ 9,159,007	\$ 13,363,423	\$ 10,120,970
BALANCE	\$ 437,873	\$ 437,625	\$ 153,017
TOTAL BALANCE, RESERVES, AND EXPENSE	\$ 9,596,880	\$ 13,801,048	\$ 10,273,987

* At the time of publication, audited financial statements for Fiscal Year 2017 were not available. Therefore, the Fiscal Year 2017 column reflects final budgeted revenue and expense amounts from the Fiscal Year 2017 Adopted Budget, while the beginning Fiscal Year 2017 balance amount reflects the audited Fiscal Year 2016 ending balance.



Page Intentionally Left Blank