

## **Purchasing & Contracting**



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# 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 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*

## Did you know?

- The Purchasing & Contracting Department is responsible for procuring almost \$1.0 billion in goods and services annually.

# Purchasing & Contracting

- The Living Wage Program has recovered \$500,000 in lost wages since its inception

## Goals and Objectives

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

***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
- Exceed customer service expectations

***Goal 2: To 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: To make sure 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

# Purchasing & Contracting

## Key Performance Indicators

Performance Indicator	Target <sup>1</sup> FY2015	Actual <sup>1</sup> FY2015	Estimated <sup>2</sup> FY2016	Target FY2017
1. Percentage of purchase orders processed within 10 days <sup>3</sup>	N/A	67%	76% <sup>4</sup>	90%
2. Percentage increase in customer satisfaction	N/A	N/A	N/A	5%
3. Percentage of contracts, based on total dollar value, awarded to Small Local Business Enterprises (SLBEs) <sup>5</sup>	15%	23%	N/A	20%
4. Percentage of Living Wage Ordinance violations investigated and addressed within 60 days	100%	100%	100%	100%
5. Percentage of underutilized assets discarded, sold, or recycled within 30 days	N/A	N/A	N/A	75%
6. Percentage of total transactions on contract under \$150,000	N/A	N/A	N/A	50%
7. Average number of days to award a contract	N/A	N/A	N/A	65

1. During Fiscal Year 2016 new department tactical plans and key performance indicators were developed. As such, Fiscal Year 2015 data may be unavailable.
2. New performance indicators for Fiscal Year 2016. Some baseline data is currently under development.
3. Once a fully completed requisition is received.
4. Planned system upgrades and enhancements will improve purchase order creation and tracking purposes
5. This information is typically not available until the end of July. This information is for Construction and Architecture/Engineering (A/E) contracts.



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# Purchasing & Contracting

## Department Summary

	FY2015 Actual	FY2016 Budget	FY2017 Proposed	FY2016-2017 Change
FTE Positions (Budgeted)	78.55	82.96	82.96	0.00
Personnel Expenditures	\$ 6,298,052	\$ 6,860,155	\$ 7,122,089	\$ 261,934
Non-Personnel Expenditures	11,149,115	14,059,536	12,804,744	(1,254,792)
<b>Total Department Expenditures</b>	<b>\$ 17,447,167</b>	<b>\$ 20,919,691</b>	<b>\$ 19,926,833</b>	<b>\$ (992,858)</b>
<b>Total Department Revenue</b>	<b>\$ 13,145,231</b>	<b>\$ 14,857,928</b>	<b>\$ 14,823,179</b>	<b>\$ (34,749)</b>

## General Fund

### Department Expenditures

	FY2015 Actual	FY2016 Budget	FY2017 Proposed	FY2016-2017 Change
Equal Opportunity Contracting	\$ 1,659,702	\$ 2,011,723	\$ 2,047,546	\$ 35,823
Purchasing & Contracting	3,784,207	5,600,812	4,514,824	(1,085,988)
<b>Total</b>	<b>\$ 5,443,909</b>	<b>\$ 7,612,535</b>	<b>\$ 6,562,370</b>	<b>\$ (1,050,165)</b>

### Department Personnel

	FY2015 Budget	FY2016 Budget	FY2017 Proposed	FY2016-2017 Change
Equal Opportunity Contracting	19.70	19.48	19.48	0.00
Purchasing & Contracting	35.50	40.48	40.48	0.00
<b>Total</b>	<b>55.20</b>	<b>59.96</b>	<b>59.96</b>	<b>0.00</b>

### Significant Budget Adjustments

	FTE	Expenditures	Revenue
<b>Salary and Benefit Adjustments</b>	0.00	\$ 211,379	\$ -
Adjustments to reflect the annualization of the Fiscal Year 2016 negotiated salary compensation schedule, changes to savings resulting from positions to be vacant for any period of the fiscal year, retirement contributions, retiree health contributions, and labor negotiation adjustments.			
<b>Non-Discretionary Adjustment</b>	0.00	43,122	-
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.			
<b>Employee Rewards and Recognition Program</b>	0.00	2,704	-
Addition of non-personnel expenditures to comply with the Employee Rewards and Recognition Program per Administrative Regulation 95.91.			
<b>Non-Standard Hour Personnel Funding</b>	0.00	(4)	-
Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.			
<b>One-Time Reductions and Annualizations</b>	0.00	(4,000)	(92,056)
Adjustment to reflect the removal of one-time revenues and expenditures, and the annualization of revenues and expenditures, implemented in Fiscal Year 2016.			

# Purchasing & Contracting

## Significant Budget Adjustments (Cont'd)

	FTE	Expenditures	Revenue
<b>Equipment/Support for Information Technology</b>	0.00	(1,303,366)	-
Adjustment to expenditure allocations according to a zero-based annual review of information technology funding requirements and priority analyses.			
<b>Total</b>	<b>0.00</b>	<b>\$ (1,050,165)</b>	<b>\$ (92,056)</b>

## Expenditures by Category

	FY2015 Actual	FY2016 Budget	FY2017 Proposed	FY2016-2017 Change
<b>PERSONNEL</b>				
Personnel Cost	\$ 3,069,514	\$ 3,486,722	\$ 3,514,856	\$ 28,134
Fringe Benefits	1,626,065	1,794,711	1,977,952	183,241
<b>PERSONNEL SUBTOTAL</b>	<b>4,695,579</b>	<b>5,281,433</b>	<b>5,492,808</b>	<b>211,375</b>
<b>NON-PERSONNEL</b>				
Supplies	\$ 70,068	\$ 63,661	\$ 63,669	\$ 8
Contracts	228,947	287,371	328,559	41,188
Information Technology	437,794	1,969,794	666,428	(1,303,366)
Energy and Utilities	6,480	2,965	3,595	630
Other	5,041	7,311	7,311	-
<b>NON-PERSONNEL SUBTOTAL</b>	<b>748,329</b>	<b>2,331,102</b>	<b>1,069,562</b>	<b>(1,261,540)</b>
<b>Total</b>	<b>\$ 5,443,909</b>	<b>\$ 7,612,535</b>	<b>\$ 6,562,370</b>	<b>\$ (1,050,165)</b>

## Revenues by Category

	FY2015 Actual	FY2016 Budget	FY2017 Proposed	FY2016-2017 Change
Charges for Services	\$ 1,184,117	\$ 1,550,772	\$ 1,458,716	\$ (92,056)
Other Revenue	12,411	-	-	-
<b>Total</b>	<b>\$ 1,196,528</b>	<b>\$ 1,550,772</b>	<b>\$ 1,458,716</b>	<b>\$ (92,056)</b>

## Personnel Expenditures

Job Number	Job Title / Wages	FY2015 Budget	FY2016 Budget	FY2017 Proposed	Salary Range	Total
<b>FTE, Salaries, and Wages</b>						
20000119	Associate Management Analyst	12.00	12.00	12.00	\$54,059 - \$65,333	\$ 694,537
20000232	Buyer's Aide 1	0.00	0.00	1.00	36,962 - 44,533	36,962
90000539	Clerical Assistant 2	0.50	0.48	0.48	29,931 - 36,067	15,825
20000545	Contracts Processing Clerk	5.00	5.00	3.00	32,968 - 39,811	116,447
20001101	Department Director	1.00	1.00	1.00	59,155 - 224,099	140,000
20001168	Deputy Director	1.00	1.00	1.00	46,966 - 172,744	109,855
20000924	Executive Secretary	1.00	1.00	1.00	43,555 - 52,666	52,666
20000290	Information Systems Analyst 2	0.00	0.00	1.00	54,059 - 65,333	54,059
20000293	Information Systems Analyst 3	1.00	1.00	1.00	59,363 - 71,760	71,760
90001073	Management Intern	0.70	0.48	0.48	24,274 - 29,203	12,810
20000680	Payroll Specialist 2	1.00	1.00	1.00	34,611 - 41,787	40,951
20000173	Payroll Supervisor	0.00	1.00	1.00	39,686 - 48,069	39,686
20000791	Principal Procurement Specialist	3.00	4.00	4.00	59,363 - 71,864	271,202
20000227	Procurement Specialist	11.00	12.00	12.00	49,109 - 59,488	677,663



# Purchasing & Contracting

## Personnel Expenditures (Cont'd)

Job Number	Job Title / Wages	FY2015 Budget	FY2016 Budget	FY2017 Proposed	Salary Range	Total
20001234	Program Coordinator	1.00	1.00	1.00	23,005 - 137,904	101,001
20001222	Program Manager	1.00	1.00	1.00	46,966 - 172,744	113,000
20000927	Senior Clerk/Typist	1.00	1.00	1.00	36,067 - 43,514	36,067
20000015	Senior Management Analyst	6.00	6.00	6.00	59,363 - 71,760	402,722
20000879	Senior Procurement Specialist	3.00	5.00	5.00	53,955 - 65,270	300,771
20000970	Supervising Management Analyst	3.00	3.00	3.00	66,768 - 80,891	242,673
20000756	Word Processing Operator	3.00	3.00	3.00	31,491 - 37,918	104,935
	Bilingual - Regular					7,280
	Budgeted Vacancy Savings					(134,659)
	Sick Leave - Hourly					110
	Termination Pay Annual Leave					6,533
FTE, Salaries, and Wages Subtotal		55.20	59.96	59.96		\$ 3,514,856
		FY2015 Actual		FY2016 Budget	FY2017 Proposed	FY2016–2017 Change
Fringe Benefits						
	Employee Offset Savings	\$ 13,070	\$	12,632	\$ 16,244	\$ 3,612
	Flexible Benefits	372,500		513,252	576,670	63,418
	Insurance	106		-	-	-
	Long-Term Disability	27,321		11,327	11,167	(160)
	Medicare	45,378		49,398	50,998	1,600
	Other Post-Employment Benefits	303,098		335,502	331,464	(4,038)
	Retiree Medical Trust	4,177		5,156	5,521	365
	Retirement 401 Plan	2,322		2,341	2,440	99
	Retirement ADC	556,382		505,250	610,832	105,582
	Retirement DROP	10,237		12,643	6,274	(6,369)
	Risk Management Administration	43,827		59,850	57,288	(2,562)
	Supplemental Pension Savings Plan	204,336		245,516	249,237	3,721
	Unemployment Insurance	6,284		6,492	6,410	(82)
	Workers' Compensation	37,028		35,352	53,407	18,055
Fringe Benefits Subtotal		\$ 1,626,065	\$	1,794,711	\$ 1,977,952	\$ 183,241
Total Personnel Expenditures					\$ 5,492,808	

## Central Stores Fund

### Department Expenditures

	FY2015 Actual	FY2016 Budget	FY2017 Proposed	FY2016-2017 Change
Central Stores	\$ 12,003,258	\$ 13,307,156	\$ 13,364,463	\$ 57,307
<b>Total</b>	<b>\$ 12,003,258</b>	<b>\$ 13,307,156</b>	<b>\$ 13,364,463</b>	<b>\$ 57,307</b>

### Department Personnel

	FY2015 Budget	FY2016 Budget	FY2017 Proposed	FY2016-2017 Change
Central Stores	23.35	23.00	23.00	0.00
<b>Total</b>	<b>23.35</b>	<b>23.00</b>	<b>23.00</b>	<b>0.00</b>

# Purchasing & Contracting

## Significant Budget Adjustments

	FTE	Expenditures	Revenue
<b>Salary and Benefit Adjustments</b>	0.00	\$ 50,559	\$ -
Adjustments to reflect the annualization of the Fiscal Year 2016 negotiated salary compensation schedule, changes to savings resulting from positions to be vacant for any period of the fiscal year, retirement contributions, retiree health contributions, and labor negotiation adjustments.			
<b>Equipment/Support for Information Technology</b>	0.00	9,365	-
Adjustment to expenditure allocations according to a zero-based annual review of information technology funding requirements and priority analyses.			
<b>Non-Discretionary Adjustment</b>	0.00	1,838	-
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.			
<b>One-Time Reductions and Annualizations</b>	0.00	(4,455)	-
Adjustment to reflect the removal of one-time revenues and expenditures, and the annualization of revenues and expenditures, implemented in Fiscal Year 2016.			
<b>IAM Reimbursable Revenue</b>	0.00	-	42,331
Adjustment to reflect revised revenue projections for reimbursement of SAP Infrastructure Asset Management (IAM, formerly EAM) project labor.			
<b>Revised Revenue</b>	0.00	-	14,976
Adjustment to reflect Fiscal Year 2017 revenue projections.			
<b>Total</b>	<b>0.00</b>	<b>\$ 57,307</b>	<b>\$ 57,307</b>

## Expenditures by Category

	FY2015 Actual	FY2016 Budget	FY2017 Proposed	FY2016-2017 Change
<b>PERSONNEL</b>				
Personnel Cost	\$ 847,036	\$ 825,279	\$ 820,591	\$ (4,688)
Fringe Benefits	755,436	753,443	808,690	55,247
<b>PERSONNEL SUBTOTAL</b>	<b>1,602,472</b>	<b>1,578,722</b>	<b>1,629,281</b>	<b>50,559</b>
<b>NON-PERSONNEL</b>				
Supplies	\$ 9,603,102	\$ 10,991,328	\$ 10,992,655	\$ 1,327
Contracts	625,462	551,098	573,606	22,508
Information Technology	33,796	25,481	34,846	9,365
Energy and Utilities	114,213	150,819	128,822	(21,997)
Other	12,645	5,383	928	(4,455)
Transfers Out	11,568	4,325	4,325	-
<b>NON-PERSONNEL SUBTOTAL</b>	<b>10,400,786</b>	<b>11,728,434</b>	<b>11,735,182</b>	<b>6,748</b>
<b>Total</b>	<b>\$ 12,003,258</b>	<b>\$ 13,307,156</b>	<b>\$ 13,364,463</b>	<b>\$ 57,307</b>

# Purchasing & Contracting

## Revenues by Category

	FY2015 Actual	FY2016 Budget	FY2017 Proposed	FY2016–2017 Change
Charges for Services	\$ 11,746,033	\$ 13,187,156	\$ 13,244,463	\$ 57,307
Other Revenue	195,145	120,000	120,000	-
Rev from Money and Prop	7,525	-	-	-
<b>Total</b>	<b>\$ 11,948,703</b>	<b>\$ 13,307,156</b>	<b>\$ 13,364,463</b>	<b>\$ 57,307</b>

## Personnel Expenditures

Job Number	Job Title / Wages	FY2015 Budget	FY2016 Budget	FY2017 Proposed	Salary Range	Total
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### FTE, Salaries, and Wages

20000011	Account Clerk	2.00	2.00	<b>2.00</b>	\$31,491 - \$37,918	\$ 75,078
20000171	Auto Messenger 1	5.00	5.00	<b>5.00</b>	26,208 - 31,491	155,267
90000110	Auto Messenger 2	0.35	0.00	<b>0.00</b>	29,931 - 36,067	-
20000110	Auto Messenger 2	7.00	7.00	<b>7.00</b>	29,931 - 36,067	240,344
20000927	Senior Clerk/Typist	1.00	1.00	<b>1.00</b>	36,067 - 43,514	36,067
20000951	Stock Clerk	1.00	1.00	<b>1.00</b>	30,056 - 36,275	36,275
20000950	Stock Clerk	3.00	3.00	<b>3.00</b>	30,056 - 36,275	107,374
20000955	Storekeeper 1	2.00	2.00	<b>2.00</b>	34,611 - 41,517	81,342
20000953	Storekeeper 3	1.00	1.00	<b>1.00</b>	39,811 - 47,882	47,882
20000538	Stores Operations Supervisor	1.00	1.00	<b>1.00</b>	45,573 - 55,078	45,573
	Budgeted Vacancy Savings					(29,931)
	Night Shift Pay					5,369
	Overtime Budgeted					19,276
	Sick Leave - Hourly					675

<b>FTE, Salaries, and Wages Subtotal</b>	<b>23.35</b>	<b>23.00</b>	<b>23.00</b>	<b>\$</b>	<b>820,591</b>
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	FY2015 Actual	FY2016 Budget	FY2017 Proposed	FY2016–2017 Change
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### Fringe Benefits

Employee Offset Savings	\$ 6,833	\$ 6,827	\$ 6,104	\$ (723)
Flexible Benefits	157,594	188,210	221,210	33,000
Long-Term Disability	7,109	2,628	2,537	(91)
Medicare	11,295	9,647	10,997	1,350
Other Post-Employment Benefits	135,382	129,492	130,218	726
Retiree Medical Trust	178	170	381	211
Retirement 401 Plan	380	363	363	-
Retirement ADC	348,053	321,935	339,625	17,690
Retirement DROP	1,817	3,007	1,157	(1,850)
Risk Management Administration	19,495	23,100	22,506	(594)
Supplemental Pension Savings Plan	39,059	40,291	42,210	1,919
Unemployment Insurance	1,665	1,505	1,455	(50)
Workers' Compensation	26,576	26,268	29,927	3,659

<b>Fringe Benefits Subtotal</b>	<b>\$ 755,436</b>	<b>\$ 753,443</b>	<b>\$ 808,690</b>	<b>\$ 55,247</b>
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<b>Total Personnel Expenditures</b>	<b>\$ 1,629,281</b>			
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# Purchasing & Contracting

## Revenue and Expense Statement (Non-General Fund)

Central Stores Fund	FY2015 Actual	FY2016* Budget	FY2017 Proposed
<b>BEGINNING BALANCE AND RESERVES</b>			
Balance from Prior Year	\$ 188,036	\$ 133,481	\$ 14,756
<b>TOTAL BALANCE AND RESERVES</b>	<b>\$ 188,036</b>	<b>\$ 133,481</b>	<b>\$ 14,756</b>
<b>REVENUE</b>			
Charges for Current Services	\$ 11,746,033	\$ 13,187,156	\$ 13,244,463
Other Revenue	195,145	120,000	120,000
Revenue from Use of Money and Property	7,525	—	—
<b>TOTAL REVENUE</b>	<b>\$ 11,948,703</b>	<b>\$ 13,307,156</b>	<b>\$ 13,364,463</b>
<b>TOTAL BALANCE, RESERVES, AND REVENUE</b>	<b>\$ 12,136,740</b>	<b>\$ 13,440,637</b>	<b>\$ 13,379,219</b>
<b>OPERATING EXPENSE</b>			
Personnel Expenses	\$ 847,036	\$ 825,279	\$ 820,591
Fringe Benefits	755,436	753,443	808,690
Supplies	9,603,102	10,991,328	10,992,655
Contracts	625,462	551,098	573,606
Information Technology	33,796	25,481	34,846
Energy and Utilities	114,213	150,819	128,822
Other Expenses	12,645	5,383	928
Transfers Out	11,568	4,325	4,325
Capital Expenditures	—	—	—
<b>TOTAL OPERATING EXPENSE</b>	<b>\$ 12,003,258</b>	<b>\$ 13,307,156</b>	<b>\$ 13,364,463</b>
<b>TOTAL EXPENSE</b>	<b>\$ 12,003,258</b>	<b>\$ 13,307,156</b>	<b>\$ 13,364,463</b>
<b>BALANCE</b>	<b>\$ 133,481</b>	<b>\$ 133,481</b>	<b>\$ 14,756</b>
<b>TOTAL BALANCE, RESERVES, AND EXPENSE</b>	<b>\$ 12,136,740</b>	<b>\$ 13,440,637</b>	<b>\$ 13,379,219</b>

\* At the time of publication, audited financial statements for Fiscal Year 2016 were not available. Therefore, the Fiscal Year 2016 column reflects final budgeted revenue and expense amounts from the Fiscal Year 2016 Adopted Budget, while the beginning FY 2016 balance amount reflects the audited Fiscal Year 2015 ending balance.