

# PURCHASING

| RESOURCES            | ACTUAL<br>FY04 | ACTUAL<br>FY05 | BUDGET<br>FY06 | PROJECTED<br>FY06 | RECOMMENDED<br>FY07 |
|----------------------|----------------|----------------|----------------|-------------------|---------------------|
| Personnel Expenses   | \$ 1,481,782   | \$ 1,580,280   | \$ 1,620,348   | \$ 1,550,043      | \$ 1,681,084        |
| Operating Expenses   | 95,147         | 97,703         | 81,279         | 70,394            | 119,593             |
| Operating Budget     | \$ 1,576,929   | \$ 1,677,983   | \$ 1,701,627   | \$ 1,620,437      | \$ 1,800,677        |
| Capital Outlay       | 11,865         | 9,578          | 19,782         | 17,582            | 16,134              |
| Budget Allocation    | \$ 1,588,794   | \$ 1,687,561   | \$ 1,721,409   | \$ 1,638,019      | \$ 1,816,811        |
| Authorized Positions | 23             | 23             | 23             | 23                | 23                  |

**Vision and Mission:** The department will expeditiously provide quality goods and services for the city; continue to use innovative methods; and adhere to ethical and legal principles in acquiring the best value for the best price without favoritism. The purchasing department is responsible for the city's centralized procurement process and works to acquire needed goods and services for all city departments as efficiently and inexpensively as possible, while at the same time, assuring fair and equal opportunity to all qualified vendors who participate in the competitive process.

**Goals and Objectives:**

- Goods and Services Procurement: Acquire goods and services for city departmental personnel and projects utilizing best practices while incorporating minority and small business endeavors equitably.
- Inventory Management: Provide, secure and effectively account for sufficient levels of essential goods and spare parts needed on a frequent and ongoing basis for city departmental personnel. Continue to utilize strategic procurement objectives in order to reduce on-hand inventory and reduce lead times for replenishment of inventory.
- Specification Writing: Provide specification development to accomplish competitiveness, clarity and purpose and to determine performance versus brand specification appropriateness.
- Asset Disposition: Responsible for the disposal of surplus and obsolete tangible city property. Seek ways to obtain higher revenues or determine better methods of disposal for the city's assets.

**Current Operations and Initiatives:** The purchasing department supports city departments in their efforts to provide the goods and services to accomplish their initiatives. Major initiatives include:

- Further expansion of QuoteWire, an electronic tool which enables departments to issue and receive informal bids electronically, in an efficient and effective manner.
- Review of inventory items for Just In Time (JIT) purchasing candidates, where the city reduces monetary investment in inventory and lowers stock levels, transferring responsibility to suppliers under a supplier chain management agreement.
- Implementing Job Order Contracting (JOC) beginning with award of contract by city council April 27, 2006.
- Implementing insurance software tracking system – a web based database which will contain city insurance accords for various contracts to include automatic updates annually.
- Implementing eRFP Sysoft, a web based software system which will automate the review and scoring of request for proposals (RFP's).
- Developed power point presentation entitled “In Partnership With Purchasing”, a training tool to help departments become more familiar with the purchasing process and requirements.
- Implementing Material Safety Data Sheet (MSDS) online, a web based repository for material safety data sheets for dangerous chemicals and substances for departments to stay compliant with OSHA Regulations.

|  | FY05<br>Actual | FY06<br>Projected | FY07<br>Estimated |
|--|----------------|-------------------|-------------------|
| <b>Performance Measures</b>                    |                |                   |                   |
| Total Dollars Purchased (millions)             | \$261.0        | \$305.0           | \$310.0           |
| Number of Bids Processed                       | 233            | 317               | 325               |
| Number of Resolutions Processed                | 179            | 181               | 180               |
| Number of Budget Office Transmittals Processed | 1,088          | 1,078             | 1,084             |
| Average Total On-Hand Inventory (millions)     | \$2.9          | \$3.0             | \$3.2             |
| Number of Inventory Items                      | 9,068          | 9,112             | 9,338             |
| Annual Inventory Turnover Rate                 | 6.11           | 6.59              | 6.49              |