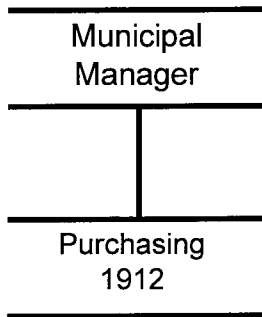
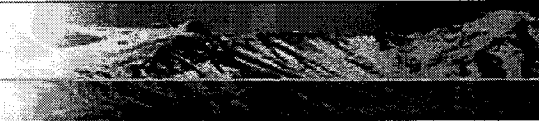


PURCHASING

PURCHASING





Purchasing Department

Our Mission: Support all Municipal agencies through effective and efficient purchasing and contract management services

Core Services

- Support all Municipal agencies by providing effective and efficient purchasing and contract management services to acquire needed supplies, services and construction services
- Insure compliance with Federal law, Alaska Statute, Municipal Code and other applicable regulatory provisions in the acquisition processes
- Develop and maintain a vendor database to insure information relating to potential and actual purchases is disseminated to interested parties, thereby obtaining best prices through competitive means
- Provide the means of disposal of outdated or surplus supplies and equipment through sales or auction processes

Direct Services

Direct Services Provided by Divisions

Focus Areas

- Reduce the average lead-time on purchases
- Reduce purchasing and accounts payable transactions through implementation of a purchasing card system

We will measure our success by:

- Percent change in total number of purchase orders issued. This measure is an indication of the effectiveness of the implementation of a credit card program in late 2001

Q1-2002	Q2-2002	Q3-2002	Q4-2002
(31%)	(34%)	(38%)	

- Percent of those surveyed that were satisfied overall with the purchasing card system. This survey will be conducted through an employee email

2002	2003	2004	2005
91%			

- Average lead-time for the purchasing process reported by major and small purchases (indicates how long it takes to issue a purchase order from receipt of a purchase requisition)

-	Q1-2002	Q2-2002	Q3-2002	Q4-2002
Major Items	40.2	53.4	55.1	
Small Items	22.9	21.2	16.5	

- Percent of dollars for goods and services the Municipality spends with local vendors

1998	1999	2000	2001	Q3-2002
85%	81%	87%	79%	81.9%

Investing for Results

- Explain more...
- Letter from the Mayor...
- Results by Department

Priorities

- Public Safety
- Economic Growth
- Quality of Life
- Individual & Family Development
- Spirit of Community

- Ask a Question about Purchasing Department
- Make a Comment about Purchasing Department

**Purchasing Department
Costs Allocated to Core Services**

Core Services	Purchasing
Support all Municipal Agencies by providing effective and efficient purchasing and contract management services to acquire needed supplies, services and construction services	\$537,100
Insure compliance with Federal Law, Alaska Statute, Municipal Code and other applicable regulatory provisions in the acquisition processes	\$278,350
Develop and maintain a vendor data base to insure information relating to potential and actual purchases are disseminated to interested parties, thereby obtaining best prices through competitive means	\$251,140
Provide the means of disposal of outdated or surplus supplies and equipment through sales or auction processes	\$148,840
Total Division Costs	\$1,215,430

2003 Resource Plan

Department: Purchasing

Division	Financial Summary		Personnel Summary							
	2002	2003	2002 Revised				2003 Approved			
	Revised	Approved	FT	PT	Temp	Total	FT	PT	Temp	Total
Purchasing Services	1,149,580	1,215,430	15			15	14			14
Operating Cost	1,149,580	1,215,430	15	0	0	15	14	0	0	14
Add Debt Service	0	0								
Direct Organization Cost	1,149,580	1,215,430								
Charges From/(To) Others	(1,032,050)	(1,047,350)								
Function Cost	117,530	168,080								
Less Program Revenues	(117,000)	(167,000)								
Net Program Cost	530	1,080								

2003 Resource Costs by Category

Division	Personal Services	Supplies	Other Services *	Capital Outlay	Total Direct Cost
Purchasing Services	1,061,520	14,400	169,470		1,245,390
Operating Cost	1,061,520	14,400	169,470	0	1,245,390
Less Vacancy Factor	(29,960)				(29,960)
Add Debt Service					0
Total Direct Organization Cost	1,031,560	14,400	169,470	0	1,215,430

* Travel budgeted by this department within the Other Services category is \$47,850

2003 Budget Highlights

• The 2003 investment level will maintain the same level of results for purchasing-related activity. Savings continue to be realized as a result of the implementation of the Procurement-card by which departments charge for small purchases, thereby reducing paperwork. When compared to the same period in 2001, there has been a 39% reduction in purchase order activity and a 47% reduction in requisition activity.

RECONCILIATION FROM 2002 REVISED BUDGET TO 2003 APPROVED BUDGET
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DEPARTMENT: PURCHASING

	<u>DIRECT COSTS</u>	<u>POSITIONS</u>		
		<u>FT</u>	<u>PT</u>	<u>T/Seas</u>
2002 REVISED BUDGET:	\$ 1,149,580	15	0	0
2002 ONE-TIME REQUIREMENTS:				
- None	0			
TRANSFERS (TO)/FROM OTHER AGENCIES:				
- None	0			
DEBT SERVICE CHANGES:	0			
CHANGES IN EXISTING PROGRAMS FOR 2003:				
- Salaries and benefits adjustment	171,580			
CONTINUATION LEVEL FOR 2003:	<u>\$ 1,321,160</u>	<u>15</u>	<u>0</u>	<u>0</u>
2003 PROGRAMMATIC CHANGES:				
- Eliminate one vacant position for contract management, professional and construction services for the Municipality	(84,570)	(1)		
- Miscellaneous adjustments in personal services	(24,870)			
- Miscellaneous reductions in non-labor costs that should not impact department's ability to perform its mission	(16,510)			
- Adjust vacancy underfunding (from 5.53% to 2.81% of personnel costs)	25,580			
2003 PROPOSED BUDGET:	<u>\$ 1,220,790</u>	<u>14</u>	<u>0</u>	<u>0</u>
2003 AMENDMENTS:				
- Adjust budgeted amount for medical insurance costs for active employees	(5,360)			
2003 APPROVED BUDGET:	<u><u>\$ 1,215,430</u></u>	<u><u>14</u></u>	<u><u>0</u></u>	<u><u>0</u></u>

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M U N I C I P A L I T Y O F A N C H O R A G E
 2003 DEPARTMENT RANKING

DEPT: 19 -PURCHASING

DEPT	BUDGET UNIT/	SL	SVC
RANK	PROGRAM	CODE	LVL

1	1912-PURCHASING SERVICES		1	Provide for procurement of construction,
	0079-Procurement and Contracti		OF	supplies, and services for all agencies
	SOURCE OF FUNDS, THIS SVC LEVEL:		3	of the MOA as required by Title 7 of the
				Municipal Code.
	IGC SUPPORT			
	PROGRAM REVENUES	117,000		

PERSONNEL	PERSONAL		OTHER	DEBT	CAPITAL	
FT PT T	SERVICE	SUPPLIES	SERVICES	SERVICE	OUTLAY	TOTAL
14 0 0	1,031,560	14,400	169,470	0	0	1,215,430

2	1912-PURCHASING SERVICES		2	Revenues received from rebate incentives
	0079-Procurement and Contracti		OF	offered under the Procurement Card
	SOURCE OF FUNDS, THIS SVC LEVEL:		3	Program.
	PROGRAM REVENUES	50,000		

PERSONNEL	PERSONAL		OTHER	DEBT	CAPITAL	
FT PT T	SERVICE	SUPPLIES	SERVICES	SERVICE	OUTLAY	TOTAL
0 0 0	0	0	0	0	0	0

SUBTOTAL OF FUNDED SERVICE LEVELS, PURCHASING

PERSONNEL	PERSONAL		OTHER	DEBT	CAPITAL	
FT PT T	SERVICE	SUPPLIES	SERVICES	SERVICE	OUTLAY	TOTAL
14 0 0	1,031,560	14,400	169,470	0	0	1,215,430

-----	DEPARTMENT OF PURCHASING		FUNDING LINE	-----
.....				1,215,430

3	1912-PURCHASING SERVICES	0	3	Provides contract management,
	0079-Procurement and Contracti		OF	professional, and construction
	SOURCE OF FUNDS, THIS SVC LEVEL:		3	services for the Municipality.

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M U N I C I P A L I T Y O F A N C H O R A G E
 2003 DEPARTMENT RANKING

DEPT: 19 -PURCHASING

DEPT	BUDGET UNIT/	SL	SVC
RANK	PROGRAM	CODE	LVL

PERSONNEL			PERSONAL		OTHER	DEBT	CAPITAL	
FT	PT	T	SERVICE	SUPPLIES	SERVICES	SERVICE	OUTLAY	TOTAL
1	0	0	84,570	0	0	0	0	84,570

TOTALS FOR DEPARTMENT OF PURCHASING

FUNDED AND UNFUNDED

PERSONNEL			PERSONAL		OTHER	DEBT	CAPITAL	
FT	PT	T	SERVICE	SUPPLIES	SERVICES	SERVICE	OUTLAY	TOTAL
15	0	0	1,116,130	14,400	169,470	0	0	1,300,000