

PURCHASING

PURCHASING

Municipal
Manager

Purchasing
1912

PURCHASING DEPARTMENT

Strategic Framework

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

Core Services that Enable the Mission:

- ❑ 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 data base to insure information relating to potential and actual purchases are 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- ❑ Provide the means of disposal of outdated or surplus supplies and equipment through sales or auction processes

Key Areas of Focus:

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

We Will Measure Our Success By:

- ❑ % change in average lead-time on small purchases
- ❑ % change in total number of purchase orders issued
- ❑ % of those surveyed that were satisfied overall with the purchasing card system

2002 Resource Plan

Department: *Purchasing*

| Division | Financial Summary | | Personnel Summary | | | | | | | |
|---------------------------------|--------------------------|------------------|--------------------------|----------|----------|-----------|---------------|----------|----------|-----------|
| | 2001 Revised | 2002 Approved | 2001 Revised | | | | 2002 Approved | | | |
| | | | FT | PT | Temp | Total | FT | PT | Temp | Total |
| Purchasing Services | 1,149,580 | 1,149,580 | 15 | | | 15 | 14 | | | 14 |
| Operating Cost | 1,149,580 | 1,149,580 | 15 | 0 | 0 | 15 | 14 | 0 | 0 | 14 |
| Add Debt Service | 0 | 0 | | | | | | | | |
| Direct Organization Cost | 1,149,580 | 1,149,580 | | | | | | | | |
| Charges From/(To) Others | (1,082,010) | (1,032,050) | | | | | | | | |
| Function Cost | 67,570 | 117,530 | | | | | | | | |
| Less Program Revenues | (67,000) | (117,000) | | | | | | | | |
| Net Program Cost | 570 | 530 | | | | | | | | |

2002 Resource Costs by Category

| Division | Personal Services | Supplies | Other Services | Capital Outlay | Total Direct Cost |
|---------------------------------------|----------------------|---------------|-------------------|-------------------|----------------------|
| Purchasing Services | 1,004,740 | 14,400 | 185,980 | | 1,205,120 |
| Operating Cost | 1,004,740 | 14,400 | 185,980 | 0 | 1,205,120 |
| Less Vacancy Factor | (55,540) | | | | (55,540) |
| Add Debt Service | | | | | 0 |
| Total Direct Organization Cost | 949,200 | 14,400 | 185,980 | 0 | 1,149,580 |

| |
|--|
| RECONCILIATION FROM 2001 REVISED BUDGET TO 2002 APPROVED BUDGET |
|--|

DEPARTMENT: PURCHASING

| | <u>DIRECT COSTS</u> | <u>POSITIONS</u> | | |
|--|----------------------------|------------------|-----------------|-----------------|
| | | FT | PT | T |
| 2001 REVISED BUDGET: | \$ 1,149,580 | 15 | | |
| 2001 ONE-TIME REQUIREMENTS: | | | | |
| - PeopleSoft support computer costs | (5,000) | | | |
| CHANGES FOR CONTINUATION OF EXISTING PROGRAMS IN 2002: | | | | |
| - Salaries and benefits adjustment for continuing employees | 53,550 | | | |
| - AMEA/Non-rep wage increase | 46,770 | | | |
| TRANSFERS (TO)/FROM OTHER AGENCIES: | | | | |
| - None | | | | |
| MISCELLANEOUS INCREASES (DECREASES): | | | | |
| - None | | | | |
| 2002 PROGRAMMATIC BUDGET CHANGES: | | | | |
| - Adjust projected salaries savings based on historical experience | (40,790) | | | |
| - Reduce PeopleSoft training | (54,530) | | | |
| - Delete one vacant position; funding used for contract | | (1) | | |
| 2002 PROPOSED BUDGET: | <u>1,149,580</u> | <u>14</u> | <u>0</u> | <u>0</u> |
| 2002 AMENDMENTS: | | | | |
| - None | | | | |
| 2002 APPROVED BUDGET: | <u><u>\$ 1,149,580</u></u> | <u><u>14</u></u> | <u><u>0</u></u> | <u><u>0</u></u> |

2002 P R O G R A M P L A N

DEPARTMENT: PURCHASING DIVISION: PURCHASING SERVICES
PROGRAM: Procurement and Contracting Services

PURPOSE:

Provide a purchasing system that ensures maximum use of fair and open competition and receipt of the best value for funds available, consistent with applicable laws and regulations, good business practices and sound financial management practices.

2001 PERFORMANCES:

See Strategic Framework

2002 PERFORMANCE OBJECTIVES:

See Strategic Framework

RESOURCES:

| | 2000 REVISED | | | 2001 REVISED | | | 2002 BUDGET | | |
|--------------------|--------------|-----------|---|--------------|-----------|---|-------------|-----------|---|
| | FT | PT | T | FT | PT | T | FT | PT | T |
| PERSONNEL: | 15 | 0 | 0 | 16 | 0 | 0 | 14 | 0 | 0 |
| PERSONAL SERVICES | \$ | 980,140 | | \$ | 943,540 | | \$ | 949,200 | |
| SUPPLIES | | 14,400 | | | 19,400 | | | 14,400 | |
| OTHER SERVICES | | 70,720 | | | 184,140 | | | 185,980 | |
| CAPITAL OUTLAY | | 6,000 | | | 2,500 | | | | 0 |
| TOTAL DIRECT COST: | \$ | 1,071,260 | | \$ | 1,149,580 | | \$ | 1,149,580 | |
| PROGRAM REVENUES: | \$ | 67,000 | | \$ | 67,000 | | \$ | 117,000 | |

WORK MEASURES:

See Strategic Framework 0 0 0

3 SERVICE LEVELS ARE FUNDED FOR THE DEPARTMENT. THIS PROGRAM HAS LEVELS:
1, 2, 3

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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
2002 DEPARTMENT RANKING

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DEPT: 19 -PURCHASING

| DEPT | BUDGET UNIT/ RANK | PROGRAM | SL CODE | SVC LVL |
|------|----------------------|---------|------------|------------|
|------|----------------------|---------|------------|------------|

| | | | | |
|---|----------------------------------|--------|---|--|
| 1 | 1912-PURCHASING SERVICES | CB | 1 | Provide for procurement of construction, supplies, and services for all agencies of the MOA as required by Title 7 of the AMC. |
| | 0079-Procurement and Contracti | | 4 | |
| | SOURCE OF FUNDS, THIS SVC LEVEL: | | | |
| | IGC SUPPORT | | | |
| | PROGRAM REVENUES | 67,000 | | |

| PERSONNEL | | | PERSONAL | | OTHER | DEBT | CAPITAL | |
|-----------|----|---|----------|----------|----------|---------|---------|-----------|
| FT | PT | T | SERVICE | SUPPLIES | SERVICES | SERVICE | OUTLAY | TOTAL |
| 14 | 0 | 0 | 989,990 | 14,400 | 135,980 | 0 | 0 | 1,140,370 |

| | | | | |
|---|----------------------------------|--|----|-------------------------|
| 2 | 1912-PURCHASING SERVICES | | 3 | Increase vacancy factor |
| | 0079-Procurement and Contracti | | OF | |
| | SOURCE OF FUNDS, THIS SVC LEVEL: | | 4 | |
| | IGC SUPPORT | | | |

| | | | | | | | | |
|---|---|---|---------|---|---|---|---|---------|
| 0 | 0 | 0 | 40,790- | 0 | 0 | 0 | 0 | 40,790- |
|---|---|---|---------|---|---|---|---|---------|

| | | | | |
|---|----------------------------------|--------|----|--|
| 3 | 1912-PURCHASING SERVICES | CR | 2 | Contracted services, with offsetting |
| | 0079-Procurement and Contracti | | OF | program revenues, for the purpose of |
| | SOURCE OF FUNDS, THIS SVC LEVEL: | | 4 | paying commissions, fees, and |
| | | | | miscellaneous expenses associated with |
| | | | | the disposal of surplus, excess, and |
| | PROGRAM REVENUES | 50,000 | | lost and found property. |

| | | | | | | | | |
|---|---|---|---|---|--------|---|---|--------|
| 0 | 0 | 0 | 0 | 0 | 50,000 | 0 | 0 | 50,000 |
|---|---|---|---|---|--------|---|---|--------|

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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
2002 DEPARTMENT RANKING

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DEPT: 19 -PURCHASING

| DEPT | BUDGET UNIT/ | SL | SVC |
|------|--------------|------|-----|
| RANK | PROGRAM | CODE | LVL |

SUBTOTAL OF FUNDED SERVICE LEVELS, PURCHASING

| PERSONNEL | | | PERSONAL | | OTHER | DEBT | CAPITAL | |
|-----------|----|---|----------|----------|----------|---------|---------|-----------|
| FT | PT | T | SERVICE | SUPPLIES | SERVICES | SERVICE | OUTLAY | TOTAL |
| 14 | 0 | 0 | 949,200 | 14,400 | 185,980 | 0 | 0 | 1,149,580 |

----- DEPARTMENT OF PURCHASING FUNDING LINE -----
. 1,149,580

| | | | |
|---|----------------------------------|----|--|
| 4 | 1912-PURCHASING SERVICES | 4 | Provide PeopleSoft consulting services |
| | 0079-Procurement and Contracti | OF | in cooperation with newly established |
| | SOURCE OF FUNDS, THIS SVC LEVEL: | 4 | PeopleSoft work group. |

IGC SUPPORT

| PERSONNEL | | | PERSONAL | | OTHER | DEBT | CAPITAL | |
|-----------|----|---|----------|----------|----------|---------|---------|--------|
| FT | PT | T | SERVICE | SUPPLIES | SERVICES | SERVICE | OUTLAY | TOTAL |
| 0 | 0 | 0 | 0 | 0 | 54,530 | 0 | 0 | 54,530 |

TOTALS FOR DEPARTMENT OF PURCHASING , FUNDED AND UNFUNDED

| PERSONNEL | | | PERSONAL | | OTHER | DEBT | CAPITAL | |
|-----------|----|---|----------|----------|----------|---------|---------|-----------|
| FT | PT | T | SERVICE | SUPPLIES | SERVICES | SERVICE | OUTLAY | TOTAL |
| 14 | 0 | 0 | 949,200 | 14,400 | 240,510 | 0 | 0 | 1,204,110 |