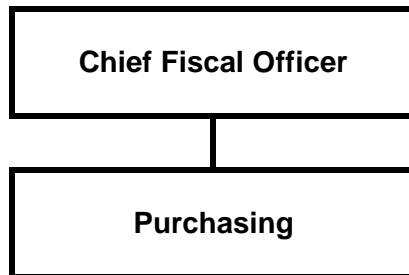


Purchasing



Purchasing

Description

The Purchasing Department is the office responsible for the acquisition of supplies, services, and construction supporting the operations of the Municipality. The Department is the entity within the Municipality authorized to issue Invitations to Bid and Requests for Proposals. The Department issues purchase orders, and contracts to acquire supplies and services. The Department also disposes of all municipal surplus property and equipment.

The Purchasing Department is conscious of its responsibility and accountability in the expenditure of public funds. Therefore, the Purchasing Department maintains a competitive bidding process in accordance with Federal and State laws, regulations, and Municipal ordinances. It is the Purchasing Department's policy to encourage the participation of qualified vendors in the bidding process, emphasizing opportunities for small businesses and disadvantaged and women owned businesses. Preference may be given to local bidders when not prohibited by the funding source.

Projects and requirements for the Municipality vary widely and as a result, rely heavily upon the local business and contractor community to meet its needs. We encourage the local contractor community to participate in the various solicitation processes offered. A local bidder's preference is applied for these local businesses & contractors residing within the corporate boundaries of the Municipality. The use of minority and women owned businesses is encouraged, and participation goals for sub-contracting may be required depending on the source of funding.

Department Goals

- Provide departments with the knowledge needed to successfully procure items/services at the best value for the City with minimal difficulty (standardize and streamline processes)
- Ensure that procurements are made in compliance with all laws and policies
- Provide contract administration training to departments
- Continually explore alternative procurement methods
- Minimize Appeals

Department Goals that Contribute to Achieving the Mayor's Mission:



Administration – Make city government more efficient, accessible, transparent, and responsive to the citizens of Anchorage

- Provide departments with the knowledge needed to successfully procure items/services at the best value for the City with minimal difficulty (standardize and streamline processes).
- Ensure that procurements are made in compliance with all laws and policies
- Provide contract administration training to departments.
- Provide training to departments on the purchasing processes.
- Continue to work with and explore alternative procurement methods when contracting situations would benefit from their use.

Purchasing Department Summary

	2015 Actuals	2016 Revised	2017 Proposed	17 v 16 % Chg
Direct Cost by Division				
Purchasing	1,551,367	1,811,040	1,795,161	(0.88%)
Direct Cost Total	1,551,367	1,811,040	1,795,161	(0.88%)
Intragovernmental Charges				
Charges by/to Other Departments	(1,398,464)	(1,541,540)	(1,525,663)	(1.03%)
Function Cost Total	152,903	269,500	269,498	-
Program Generated Revenue	(155,116)	(269,500)	(269,500)	-
Net Cost Total	(2,213)	-	(2)	(683.47%)
Direct Cost by Category				
Salaries and Benefits	1,451,125	1,719,377	1,703,498	(0.92%)
Supplies	7,321	6,060	6,060	-
Travel	-	-	-	-
Contractual/Other Services	91,741	85,603	85,603	-
Debt Service	-	-	-	-
Equipment, Furnishings	1,180	-	-	-
Direct Cost Total	1,551,367	1,811,040	1,795,161	(0.88%)
Position Summary as Budgeted				
Full-Time	15	15	15	-
Part-Time	-	-	-	-
Position Total	15	15	15*	-

*Position count at year end will reflect reduction of 1 FT position based on elimination after July 1, 2017 due to SAP going live.

Purchasing

Reconciliation from 2016 Revised Budget to 2017 Proposed Budget

	Direct Costs	Positions		
		FT	PT	Seas/T
2016 Revised Budget	1,811,040	15	-	-
Changes in Existing Programs/Funding for 2017				
- Salary and benefits adjustments	37,785	-	-	-
2017 Continuation Level	1,848,825	15	-	-
2017 Proposed Budget Changes				
- Eliminate 1 FT position after July 1, 2017 due to SAP going live.	(53,664)	(1)	-	-
2017 Proposed Budget	1,795,161	14	-	-

Purchasing Division Summary Purchasing

(Fund Center # 138100, 138179)

	2015 Actuals	2016 Revised	2017 Proposed	17 v 16 % Chg
Direct Cost by Category				
Salaries and Benefits	1,451,125	1,719,377	1,703,498	(0.92%)
Supplies	7,321	6,060	6,060	-
Travel	-	-	-	-
Contractual/Other Services	91,741	85,603	85,603	-
Equipment, Furnishings	1,180	-	-	-
Manageable Direct Cost Total	1,551,367	1,811,040	1,795,161	(0.88%)
Debt Service	-	-	-	-
Non-Manageable Direct Cost Total	-	-	-	-
Direct Cost Total	1,551,367	1,811,040	1,795,161	-
Intragovernmental Charges				
Charges by/to Other Departments	(1,398,464)	(1,541,540)	(1,525,663)	(1.03%)
Function Cost Total	152,903	269,500	269,498	-
Program Generated Revenue by Fund				
Fund 101000 - Areawide General	155,116	269,500	269,500	-
Program Generated Revenue Total	155,116	269,500	269,500	-
Net Cost Total	(2,213)	-	(2)	(683.47%)
Position Summary as Budgeted				
Full-Time	15	15	15*	-
Position Total	15	15	15	-

*Position count at year end will reflect reduction of 1 FT position based on elimination after July 1, 2017 due to SAP going live.

Purchasing Division Detail

Purchasing

(Fund Center # 138100, 138179)

	2015 Actuals	2016 Revised	2017 Proposed	17 v 16 % Chg
Direct Cost by Category				
Salaries and Benefits	1,451,125	1,719,377	1,703,498	(0.92%)
Supplies	7,321	6,060	6,060	-
Travel	-	-	-	-
Contractual/Other Services	91,741	85,603	85,603	-
Equipment, Furnishings	1,180	-	-	-
Manageable Direct Cost Total	1,551,367	1,811,040	1,795,161	(0.88%)
Debt Service	-	-	-	-
Non-Manageable Direct Cost Total	-	-	-	-
Direct Cost Total	1,551,367	1,811,040	1,795,161	(0.88%)
Intragovernmental Charges				
Charges by/to Other Departments	(1,398,464)	(1,541,540)	(1,525,663)	(1.03%)
Program Generated Revenue				
406625 - Reimbursed Cost-NonGrant Funded	67,950	105,000	105,000	-
408570 - Sale of Contractor Specifications	(90,788)	4,500	4,500	-
408580 - Miscellaneous Revenues	177,954	160,000	160,000	-
Program Generated Revenue Total	155,116	269,500	269,500	-
Net Cost				
Direct Cost Total	1,551,367	1,811,040	1,795,161	(0.88%)
Charges by/to Other Departments Total	(1,398,464)	(1,541,540)	(1,525,663)	(1.03%)
Program Generated Revenue Total	(155,116)	(269,500)	(269,500)	-
Net Cost Total	(2,213)	-	(2)	(683.47%)

Position Detail as Budgeted

	2015 Revised		2016 Revised		2017 Proposed	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Administrative Officer	3	-	4	-	4	-
Deputy Purchasing Officer	2	-	2	-	2	-
Director	1	-	1	-	1	-
Junior Admin Officer	2	-	2	-	2	-
Office Associate	2	-	2	-	1	-
Principal Admin Officer	2	-	2	-	2	-
SAP NEW 10	1	-	-	-	-	-
Senior Admin Officer	2	-	2	-	2	-
Senior Office Associate	-	-	-	-	1	-
Position Detail as Budgeted Total	15	-	15	-	15*	-

*Position count at year end will reflect reduction of 1 FT position based on elimination after July 1, 2017 due to SAP going live.

Anchorage: Performance. Value. Results

Purchasing Department

Anchorage: Performance. Value. Results.

Performance Measures

Progress in achieving goals will be measured by:

Measure #1: Cost to provide efficient purchasing services as a percent of total MOA purchases and compare to national benchmarks.

2012	2013	2014	2015	2016
.4%	.2%	.3%	.4%	.2

Benchmark below 1%

Measure #2: Number of formal protests sent to Bidding Review Board (BRB)

2012	2013	2014	2015	2016
0	1	3	1	1

Goal: 0

2013 (Contractor withdrew appeal subsequent to Bidding Review Board decision, BRB upheld MOA decision)

2014 (POA, AWWU Asplun Wastewater Treatment Facility, Harry J. McDonald Ice Rink)

2015 (solid Waste Service Garbage Trucks)

2016 (Upper O'Malley LRSA)

Measure #3: Expenditures in the local area

2012	2013	2014	2015	2016
74%	44%	43%	57%	48%

2012 (decrease due to large GE Turbine purchase for ML&P)

2013 (decrease due to \$200M contract to Quanta Power Systems and \$44M change order to GE systems, without these actions, it was 76%)

2014 (this remains artificially low due to the Quanta Power Systems , GE turbine contract, and other specialized contracts not available from in state sources. Without these actions, the instate % is 82%)

2015 (this remains artificially low due to the ML&P power plant contract and other specialized contracts not available from in state sources. Without these actions, the instate % is 86%)

2016 (this remains artificially low due to the ML&P power plant contract and other specialized contracts not available from in state sources. Without these actions, the instate % is 79%)

No formal Goal but matter of local interest