

# Purchasing



**Chief Fiscal Officer**

**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 that Contribute to Achieving the Mayor's Mission:**



#### **Administration – Make city government more efficient, accessible, transparent, and responsive**

- 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

|                                     | 2019<br>Actuals  | 2020<br>Revised  | 2021<br>Proposed | 21 v 20<br>% Chg |
|-------------------------------------|------------------|------------------|------------------|------------------|
| <b>Direct Cost by Division</b>      |                  |                  |                  |                  |
| Purchasing                          | 1,950,142        | 1,922,134        | 2,143,125        | 11.50%           |
| <b>Direct Cost Total</b>            | <b>1,950,142</b> | <b>1,922,134</b> | <b>2,143,125</b> | <b>11.50%</b>    |
| <b>Intragovernmental Charges</b>    |                  |                  |                  |                  |
| Charges by/to Other Departments     | (1,229,360)      | (1,446,634)      | (1,667,625)      | 15.28%           |
| <b>Function Cost Total</b>          | <b>720,782</b>   | <b>475,500</b>   | <b>475,500</b>   | -                |
| Program Generated Revenue           | (720,782)        | (475,500)        | (475,500)        | -                |
| <b>Net Cost Total</b>               | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>-</b>         |
| <b>Direct Cost by Category</b>      |                  |                  |                  |                  |
| Salaries and Benefits               | 1,678,989        | 1,780,567        | 2,001,558        | 12.41%           |
| Supplies                            | 22,538           | 5,964            | 5,964            | -                |
| Travel                              | 2,684            | -                | -                | -                |
| Contractual/Other Services          | 245,930          | 135,603          | 135,603          | -                |
| Debt Service                        | -                | -                | -                | -                |
| <b>Direct Cost Total</b>            | <b>1,950,142</b> | <b>1,922,134</b> | <b>2,143,125</b> | <b>11.50%</b>    |
| <b>Position Summary as Budgeted</b> |                  |                  |                  |                  |
| Full-Time                           | 15               | 15               | 15               | -                |
| Part-Time                           | -                | -                | -                | -                |
| <b>Position Total</b>               | <b>15</b>        | <b>15</b>        | <b>15</b>        | <b>-</b>         |

## Purchasing

### Reconciliation from 2020 Revised Budget to 2021 Proposed Budget

|   | Direct Costs     | Positions |          |          |
|---|------------------|-----------|----------|----------|
|   |                  | FT        | PT       | Seas/T   |
| <b>2020 Revised Budget</b>  | 1,922,134        | 15        | -        | -        |
| <b>2020 One-Time Requirements</b>   |                  |           |          |          |
| - Reverse 2020 1Q one-time reduction to keep Senior Administrative Officer vacant full year | 131,845          | -         | -        | -        |
| - Reverse 2020 1Q one-time reduction to keep Deputy Officer vacant half year                | 75,500           | -         | -        | -        |
| <b>Changes in Existing Programs/Funding for 2021</b>  |                  |           |          |          |
| - Salaries and benefits adjustments   | 22,948           | -         | -        | -        |
| <b>2021 Continuation Level</b>  | <b>2,152,427</b> | <b>15</b> | <b>-</b> | <b>-</b> |
| <b>2021 Proposed Budget Changes</b>   |                  |           |          |          |
| - Executive salaries to stay flat from 2020   | (1,936)          | -         | -        | -        |
| - Non-Represented pay scales to stay flat from 2020   | (7,366)          | -         | -        | -        |
| <b>2021 Proposed Budget</b>   | <b>2,143,125</b> | <b>15</b> | <b>-</b> | <b>-</b> |

# Purchasing Division Summary Purchasing

(Fund Center # 138100, 138179)

|  | 2019<br>Actuals  | 2020<br>Revised  | 2021<br>Proposed | 21 v 20<br>% Chg |
|--|------------------|------------------|------------------|------------------|
| <b>Direct Cost by Category</b>           |                  |                  |                  |                  |
| Salaries and Benefits                    | 1,678,989        | 1,780,567        | 2,001,558        | 12.41%           |
| Supplies                                 | 22,538           | 5,964            | 5,964            | -                |
| Travel                                   | 2,684            | -                | -                | -                |
| Contractual/Other Services               | 245,930          | 135,603          | 135,603          | -                |
| <b>Manageable Direct Cost Total</b>      | <b>1,950,142</b> | <b>1,922,134</b> | <b>2,143,125</b> | <b>11.50%</b>    |
| Debt Service                             | -                | -                | -                | -                |
| Depreciation/Amortization                | -                | -                | -                | -                |
| <b>Non-Manageable Direct Cost Total</b>  | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>-</b>         |
| <b>Direct Cost Total</b>                 | <b>1,950,142</b> | <b>1,922,134</b> | <b>2,143,125</b> | <b>-</b>         |
| <b>Intragovernmental Charges</b>         |                  |                  |                  |                  |
| Charges by/to Other Departments          | (1,229,360)      | (1,446,634)      | (1,667,625)      | 15.28%           |
| <b>Function Cost Total</b>               | <b>720,782</b>   | <b>475,500</b>   | <b>475,500</b>   | <b>-</b>         |
| <b>Program Generated Revenue by Fund</b> |                  |                  |                  |                  |
| Fund 101000 - Areawide General           | 720,782          | 475,500          | 475,500          | -                |
| <b>Program Generated Revenue Total</b>   | <b>720,782</b>   | <b>475,500</b>   | <b>475,500</b>   | <b>-</b>         |
| <b>Net Cost Total</b>                    | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>-</b>         |
| <b>Position Summary as Budgeted</b>      |                  |                  |                  |                  |
| Full-Time                                | 15               | 15               | 15               | -                |
| <b>Position Total</b>                    | <b>15</b>        | <b>15</b>        | <b>15</b>        | <b>-</b>         |

## Purchasing Division Detail

### Purchasing

(Fund Center # 138100, 138179)

|  | 2019<br>Actuals  | 2020<br>Revised  | 2021<br>Proposed | 21 v 20<br>% Chg |
|--|------------------|------------------|------------------|------------------|
| <b>Direct Cost by Category</b>             |                  |                  |                  |                  |
| Salaries and Benefits                      | 1,678,989        | 1,780,567        | 2,001,558        | 12.41%           |
| Supplies                                   | 22,538           | 5,964            | 5,964            | -                |
| Travel                                     | 2,684            | -                | -                | -                |
| Contractual/Other Services                 | 245,930          | 135,603          | 135,603          | -                |
| <b>Manageable Direct Cost Total</b>        | <b>1,950,142</b> | <b>1,922,134</b> | <b>2,143,125</b> | <b>11.50%</b>    |
| Debt Service                               | -                | -                | -                | -                |
| <b>Non-Manageable Direct Cost Total</b>    | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>-</b>         |
| <b>Direct Cost Total</b>                   | <b>1,950,142</b> | <b>1,922,134</b> | <b>2,143,125</b> | <b>11.50%</b>    |
| <b>Intragovernmental Charges</b>           |                  |                  |                  |                  |
| Charges by/to Other Departments            | (1,229,360)      | (1,446,634)      | (1,667,625)      | 15.28%           |
| <b>Program Generated Revenue</b>           |                  |                  |                  |                  |
| 406625 - Reimbursed Cost-NonGrant Funded   | 363,916          | 265,000          | 265,000          | -                |
| 408380 - Prior Year Expense Recovery       | 41,011           | -                | -                | -                |
| 408570 - Sale of Contractor Specifications | -                | 500              | 500              | -                |
| 408580 - Miscellaneous Revenues            | 315,855          | 210,000          | 210,000          | -                |
| <b>Program Generated Revenue Total</b>     | <b>720,782</b>   | <b>475,500</b>   | <b>475,500</b>   | <b>-</b>         |
| <b>Net Cost</b>                            |                  |                  |                  |                  |
| Direct Cost Total                          | 1,950,142        | 1,922,134        | 2,143,125        | 11.50%           |
| Charges by/to Other Departments Total      | (1,229,360)      | (1,446,634)      | (1,667,625)      | 15.28%           |
| Program Generated Revenue Total            | (720,782)        | (475,500)        | (475,500)        | -                |
| <b>Net Cost Total</b>                      | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>-</b>         |

### Position Detail as Budgeted

|  | 2019 Revised |           | 2020 Revised |           | 2021 Proposed |           |
|--|--------------|-----------|--------------|-----------|---------------|-----------|
|  | Full Time    | Part Time | Full Time    | Part Time | Full Time     | Part Time |
| Administrative Coordinator               | 1            | -         | 1            | -         | 1             | -         |
| Administrative Officer                   | 3            | -         | 3            | -         | 3             | -         |
| Deputy Officer                           | 2            | -         | 2            | -         | 2             | -         |
| Junior Administrative Officer            | 2            | -         | 2            | -         | 2             | -         |
| Principal Admin Officer                  | 2            | -         | 2            | -         | 2             | -         |
| Purchasing Director                      | 1            | -         | 1            | -         | 1             | -         |
| Senior Administrative Officer            | 3            | -         | 3            | -         | 3             | -         |
| Senior Office Associate                  | 1            | -         | 1            | -         | 1             | -         |
| <b>Position Detail as Budgeted Total</b> | <b>15</b>    | <b>-</b>  | <b>15</b>    | <b>-</b>  | <b>15</b>     | <b>-</b>  |

*Anchorage: Performance. Value. Results*

## Purchasing

*Anchorage: Performance. Value. Results.*

### Mission

Responsible for the acquisition of supplies, services, and construction supporting the operations of the Municipality.

### Accomplishment 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.
- 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.

### 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:**

2017 -- .1%  
 2018 -- .1%  
 2019 -- .2%  
 2020 -- .1%

Benchmark: Below 1%

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

2017 -- 0  
 2018 -- 1 Asplund Waste Water Treatment Facility Improvements  
 2019 -- 0  
 2020 -- 0

Goal: 0



|   |
|---|
| <b>Measure #3: Expenditures in the local area</b> |
|---|

2017 – 65% (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 68%)

2018 – 40% - We have changed our measures from reflecting all of Alaska to just reflect Anchorage, of the \$258 Million spent, 40% was in Anchorage.

2019 – 40% of \$208 Million, exclusive of P-cards

2020 – 40% of \$152 Million, exclusive of P-cards

No formal Goal but matter of local interest

|  |
|--|
| <b>PVR Measure WC: Managing Workers' Compensation Claims</b> |
|--|

Reducing job-related injuries is a priority for the Administration by ensuring safe work conditions and safe practices. By instilling safe work practices, we ensure not only the safety of our employees but reduce the potential for injuries and property damage to the public. The Municipality is self-insured and every injury poses a financial burden on the public and the injured worker's family. It just makes good sense to WORK SAFE.

Results are tracked by monitoring monthly reports issued by the Risk Management Division.

