

# 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

- 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**

- 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

	2018 Actuals	2019 Revised	2020 Approved	20 v 19 % Chg
<b>Direct Cost by Division</b>				
Purchasing	1,716,763	2,119,928	2,106,560	(0.63%)
<b>Direct Cost Total</b>	<b>1,716,763</b>	<b>2,119,928</b>	<b>2,106,560</b>	<b>(0.63%)</b>
<b>Intragovernmental Charges</b>				
Charges by/to Other Departments	(1,159,840)	(1,650,428)	(1,641,060)	(0.57%)
<b>Function Cost Total</b>	<b>556,923</b>	<b>469,500</b>	<b>465,500</b>	<b>(0.85%)</b>
Program Generated Revenue	(559,398)	(469,500)	(465,500)	(0.85%)
<b>Net Cost Total</b>	<b>(2,475)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Direct Cost by Category</b>				
Salaries and Benefits	1,548,131	1,978,361	1,964,993	(0.68%)
Supplies	14,666	5,964	5,964	-
Travel	555	-	-	-
Contractual/Other Services	153,411	135,603	135,603	-
Debt Service	-	-	-	-
<b>Direct Cost Total</b>	<b>1,716,763</b>	<b>2,119,928</b>	<b>2,106,560</b>	<b>(0.63%)</b>
<b>Position Summary as Budgeted</b>				
Full-Time	13	15	15	-
Part-Time	-	-	-	-
<b>Position Total</b>	<b>13</b>	<b>15</b>	<b>15</b>	<b>-</b>

## Purchasing Reconciliation from 2019 Revised Budget to 2020 Approved Budget

	Direct Costs	Positions		
		FT	PT	Seas/T
<b>2019 Revised Budget</b>	2,119,928	15	-	-
<b>2019 One-Time Requirements</b>				
- Remove 2019 Approved - ONE-TIME - Funding for long-term employee retirement leave cash-out	(40,000)	-	-	-
<b>Changes in Existing Programs/Funding for 2020</b>				
- Salaries and benefits adjustments	13,616	-	-	-
<b>2020 Continuation Level</b>	<b>2,093,544</b>	<b>15</b>	<b>-</b>	<b>-</b>
<b>2020 Proposed Budget Changes</b>				
- Labor adjustments	13,016	-	-	-
<b>2020 Approved Budget</b>	<b>2,106,560</b>	<b>15</b>	<b>-</b>	<b>-</b>

**Purchasing**  
**Division Summary**  
**Purchasing**

(Fund Center # 138100, 138179)

	2018 Actuals	2019 Revised	2020 Approved	20 v 19 % Chg
<b>Direct Cost by Category</b>				
Salaries and Benefits	1,548,131	1,978,361	1,964,993	(0.68%)
Supplies	14,666	5,964	5,964	-
Travel	555	-	-	-
Contractual/Other Services	153,411	135,603	135,603	-
<b>Manageable Direct Cost Total</b>	<b>1,716,763</b>	<b>2,119,928</b>	<b>2,106,560</b>	<b>(0.63%)</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>1,716,763</b>	<b>2,119,928</b>	<b>2,106,560</b>	<b>-</b>
<b>Intragovernmental Charges</b>				
Charges by/to Other Departments	(1,159,840)	(1,650,428)	(1,641,060)	(0.57%)
<b>Function Cost Total</b>	<b>556,923</b>	<b>469,500</b>	<b>465,500</b>	<b>(0.85%)</b>
<b>Program Generated Revenue by Fund</b>				
Fund 101000 - Areawide General	559,398	469,500	465,500	(0.85%)
<b>Program Generated Revenue Total</b>	<b>559,398</b>	<b>469,500</b>	<b>465,500</b>	<b>(0.85%)</b>
<b>Net Cost Total</b>	<b>(2,475)</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Position Summary as Budgeted**

Full-Time	13	15	15	-
<b>Position Total</b>	<b>13</b>	<b>15</b>	<b>15</b>	<b>-</b>

**Purchasing  
Division Detail  
Purchasing**

(Fund Center # 138100, 138179)

	2018 Actuals	2019 Revised	2020 Approved	20 v 19 % Chg
<b>Direct Cost by Category</b>				
Salaries and Benefits	1,548,131	1,978,361	1,964,993	(0.68%)
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<b>Manageable Direct Cost Total</b>	<b>1,716,763</b>	<b>2,119,928</b>	<b>2,106,560</b>	<b>(0.63%)</b>
Debt Service	-	-	-	-
<b>Non-Manageable Direct Cost Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Direct Cost Total</b>	<b>1,716,763</b>	<b>2,119,928</b>	<b>2,106,560</b>	<b>(0.63%)</b>
<b>Intragovernmental Charges</b>				
Charges by/to Other Departments	(1,159,840)	(1,650,428)	(1,641,060)	(0.57%)
<b>Program Generated Revenue</b>				
406625 - Reimbursed Cost-NonGrant Funded	282,816	255,000	255,000	-
408570 - Sale of Contractor Specifications	-	4,500	500	(88.89%)
408580 - Miscellaneous Revenues	276,582	210,000	210,000	-
<b>Program Generated Revenue Total</b>	<b>559,398</b>	<b>469,500</b>	<b>465,500</b>	<b>(0.85%)</b>
<b>Net Cost</b>				
Direct Cost Total	1,716,763	2,119,928	2,106,560	(0.63%)
Charges by/to Other Departments Total	(1,159,840)	(1,650,428)	(1,641,060)	(0.57%)
Program Generated Revenue Total	(559,398)	(469,500)	(465,500)	(0.85%)
<b>Net Cost Total</b>	<b>(2,475)</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Position Detail as Budgeted**

	2018 Revised		2019 Revised		2020 Approved	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Administrative Coordinator	1	-	1	-	1	-
Administrative Officer	2	-	3	-	3	-
Deputy Officer	2	-	2	-	2	-
Director	1	-	-	-	-	-
Junior Administrative Officer	2	-	2	-	2	-
Principal Admin Officer	2	-	2	-	2	-
Purchasing Director	-	-	1	-	1	-
Senior Administrative Officer	2	-	3	-	3	-
Senior Office Associate	1	-	1	-	1	-
<b>Position Detail as Budgeted Total</b>	<b>13</b>	<b>-</b>	<b>15</b>	<b>-</b>	<b>15</b>	<b>-</b>

*Anchorage: Performance. Value. Results*

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## Purchasing Department

*Anchorage: Performance. Value. Results*

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

2016 -- .1%  
2017 -- .1%  
2018 -- .1%  
2019 -- .2%

Benchmark: Below 1%

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

2016 -- 1 - (Upper O'Malley LRSA)  
2017 -- 0  
2018 -- 1 Asplund Waste Water Treatment Facility Improvements  
2019 -- 0

Goal: 0

**Measure #3: Expenditures in the local area**

2016 - 41% (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%)  
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 – 38% of \$173 Million, inclusive of P-cards

No formal Goal but matter of local interest.



**PVR Measure WC: Managing Workers' Compensation Claims**

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.

