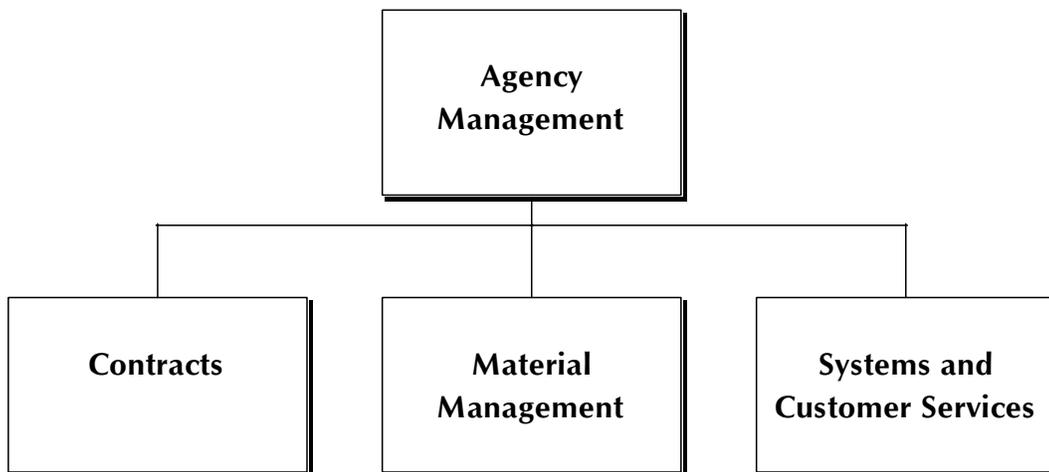


Department of Purchasing and Supply Management



Mission

The Department of Purchasing and Supply Management is committed to providing the resources that establish the foundation for quality service to the community.

Focus

The Department of Purchasing and Supply Management strives to develop strategic alliances with suppliers and County departments to secure quality goods and services in a timely manner and at a reasonable cost, while ensuring that all purchasing actions are conducted fairly and impartially and in accordance with applicable legal requirements.

In FY 2007, County departments continue the multi-year trend of meeting new program needs via contracted services. Although the number of solicitations processed by the department has not dramatically increased, the complexity of those solicitations and the management effort required by the resulting contracts has increased significantly. Since FY 2003, the value of orders processed by the Department of Purchasing and Supply Management has increased by 47 percent. The department has responded to the increased demand for services with an increased investment in technology, enabling improved operating efficiency within the department as well as providing user departments with better purchasing tools for delegated procurement tasks. The County's partnership with eVA, Virginia's statewide e-procurement application, provides County users with improved sourcing for goods and services, and provides County business partners with increased access to sales opportunities. In FY 2007, the percentage of purchasing transactions processed through electronic commerce continued to grow, reaching 88.5 percent.

The Department of Purchasing and Supply Management strives to be meaningfully involved in acquisition and material management activities at all stages of the

THINKING STRATEGICALLY

Strategic issues for the department include:

- Procuring and managing a number of increasingly complex service contracts, in addition to contracting for goods;
- Streamlining and standardizing departmental procurement practices to present user departments with a consistent and efficient experience for all procurement actions;
- Participating in state, regional and national programs to harness the competitive advantage of combined requirements and to increase value to taxpayers through increased rebates;
- Investing in technology to provide user-friendly access to the procurement function and to increase productivity;
- Keeping diversity in contracting as an integral part of the County's business strategy by using creative and proactive steps to ensure equal opportunities for under-represented businesses, including small, woman and minority-owned businesses;
- Expanding the portfolio of procurement training opportunities offered to internal and external customers, enabling customers to better understand and manage delegated procurement tasks; and
- Developing a data warehouse for all procurement data to enhance department report writing and data retrieval capabilities.

Department of Purchasing and Supply Management

procurement cycle. In FY 2007, departmental restructuring efforts begun in FY 2005 were continued by the reorganization of the Inventory and Property Oversight work group. This move provides internal customers with better support for inventory and property accounts management and provides more accurate data regarding these program areas.

In FY 2007, the department continued to expand its strategic role in emergency planning and response. As a Federal Emergency Management Agency (FEMA) designated Emergency Support Function, the department supplies key logistical management and support for local, regional and statewide emergency management.

The Vendor Relations Division, formed in FY 2006, supports the Board of Supervisors' Supplier Diversity program. The division provides outreach and education programs to assist the small, woman- and minority-owned business community in their efforts to do business with the Fairfax County government. In FY 2007, the Division established a list serve email notification process for the vendor community. The Division continues to work with partners to keep the vendor community informed of activities

New Initiatives and Recent Accomplishments in Support of the Fairfax County Vision

 Maintaining Safe and Caring Communities	Recent Success	FY 2009 Initiative
Maintain a strategic role in emergency planning and response as a FEMA designated Emergency Support Function. Continue to work with the regional quartermaster function of the Council of Governments. Held initial meeting with officials of New Orleans, LA, our partner jurisdiction in the "PREP" (Procurement Readiness Emergency Partners) program, a program sponsored by the National Institute of Governmental Purchasing, which promotes partnering with jurisdictions outside the region to expand emergency response capabilities nationwide.	☑	☑
 Practicing Environmental Stewardship	Recent Success	FY 2009 Initiative
Continue efforts to provide County departments with environmentally friendly purchasing options. In FY 2007, worked with U.S. Communities to roll out the "Green" initiative, which spotlights environmentally responsible products available to jurisdictions nationwide through U.S. Communities contracts. The department is currently developing a policy to support responsible disposal of goods and equipment no longer needed by County departments, including items such as personal computers, toner cartridges, and scrap metal.	☑	☑
 Creating a Culture of Engagement	Recent Success	FY 2009 Initiative
Develop and implement a business retention and expansion program for County vendors. Work with key organizations and business groups to market the County to companies seeking to do business with or in the County.		☑

Department of Purchasing and Supply Management

 Exercising Corporate Stewardship	Recent Success	FY 2009 Initiative
As the final step in implementation of iCASPS, the Web-enabled version of the County's mainframe procurement system, the department will turn off the old technology "green screens" and convert fully to iCASPS processing for all purchasing and accounts payable activities. The department will also begin converting the CASPS inventory management module to iCASPS.		<input checked="" type="checkbox"/>
Expand use of eVA, Virginia's G2B (government to business) Web site. Enlist additional departments as eVA users. County spending through eVA doubled from FY 2006 to FY 2007, with twelve county departments participating in the program. In FY 2007, the department also participated in the Council of Government's first online, real-time reverse auction for the purchase of natural gas.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Develop an online program to allow County users to "shop for" property, such as office furniture, which has been declared as excess by other departments. The program will save funds through property distribution and will reduce waste.		<input checked="" type="checkbox"/>
Continue to provide customers and suppliers with training opportunities on purchasing topics. Establish and support a procurement curriculum to provide comprehensive training to customer departments so that they can effectively and efficiently carry out delegated procurement responsibilities. Curriculum will help to support greater delegation necessary to accommodate increased procurement workload. Recent successes in the training arena include implementation of computer-based training for procurement card users and establishing quarterly Contract Managers Forums.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Expand the implementation of Intranet Quorum (IQ) document tracking software to provide tools to streamline the solicitation and contract award process. Use of IQ software will improve workflow monitoring, workload measurement and accountability. Integrate IQ software with current LaserFiche software.		<input checked="" type="checkbox"/>
Develop a data warehouse for all procurement data to enhance the department report writing and data retrieval capabilities.		<input checked="" type="checkbox"/>

Department of Purchasing and Supply Management

Budget and Staff Resources

Agency Summary					
Category	FY 2007 Actual	FY 2008 Adopted Budget Plan	FY 2008 Revised Budget Plan	FY 2009 Advertised Budget Plan	FY 2009 Adopted Budget Plan
Authorized Positions/Staff Years					
Regular	54/ 54	54/ 54	59/ 59	59/ 59	59/ 59
Expenditures:					
Personnel Services	\$3,119,399	\$3,319,303	\$3,306,015	\$3,740,591	\$3,786,712
Operating Expenses	1,823,566	1,771,219	1,821,177	1,771,219	1,771,219
Capital Equipment	9,863	0	0	0	0
Total Expenditures	\$4,952,828	\$5,090,522	\$5,127,192	\$5,511,810	\$5,557,931
Income:					
Contract Rebates	\$841,203	\$942,769	\$942,769	\$971,052	\$971,052
Total Income	\$841,203	\$942,769	\$942,769	\$971,052	\$971,052
Net Cost to the County	\$4,111,625	\$4,147,753	\$4,184,423	\$4,540,758	\$4,586,879

FY 2009 Funding Adjustments

The following funding adjustments from the FY 2008 Revised Budget Plan are necessary to support the FY 2009 program:

- ◆ **Employee Compensation** **\$156,844**
 An increase of \$156,844 in Personnel Services associated with salary adjustments necessary to support the County's compensation program. As a result of budget constraints, compensation adjustments for County employees have been reduced. For FY 2009, employee increases as part of the pay for performance system have been discounted by 50 percent and the impact of the lower pay for performance funding is reflected above.
- ◆ **Personnel Services Reduction** **(\$69,411)**
 A decrease of \$69,411 in Personnel Services as part of an across-the-board reduction to meet budget limitations based on available revenues as a result of a continued softening of the residential real estate market.
- ◆ **Transfer of Warehouse Operations** **\$333,855**
 Funding of \$333,855 is included for FY 2009 costs associated with the transfer of 4/4.0 SYE merit positions and associated limited term funding from the Department of Administration for Human Services as part of the consolidation of warehouse operations to improve operational efficiencies for the County's internal customers.
- ◆ **Operating Expenses** **(\$49,958)**
 A net decrease of \$49,958 in Operating Expenses is due the carryover of one-time expenses as part of the FY 2007 Carryover Review.

Department of Purchasing and Supply Management

Board of Supervisors' Adjustments

The following funding adjustments reflect all changes to the FY 2009 Advertised Budget Plan, as approved by the Board of Supervisors on April 28, 2008:

- ◆ **Pay for Performance** **\$47,224**
An increase of \$47,224 in Personnel Services is associated with the decision by the Board of Supervisors to eliminate the 50 percent reduction to employee increases as part of the pay for performance system. A reduction to pay for performance increases had been proposed in the FY 2009 Advertised Budget Plan due to budget constraints. However, as a result of the Board's decision, employees will be eligible for the full compensation increase for which they qualify based on performance.

- ◆ **Reduction in Limited-Term Funding** **(\$1,103)**
A decrease of \$1,103 in Personnel Services is associated with a reduction in funding for limited-term support based on budget limitations.

Changes to FY 2008 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2008 Revised Budget Plan since passage of the FY 2008 Adopted Budget Plan. Included are all adjustments made as part of the FY 2007 Carryover Review and all other approved changes through December 31, 2007:

- ◆ **Carryover Adjustments** **\$49,958**
As part of the *FY 2007 Carryover Review*, the Board of Supervisors approved encumbered funding of \$49,958 in Operating Expenses.

- ◆ **Position Adjustment** **\$0**
During FY 2008, the County Executive approved the transfer of 4/4.0 SYE merit positions and associated limited term support from the Department of Administration for Human Services to the Department of Purchasing and Supply Management (DPSM) to consolidate warehouse operations to improve operational efficiencies for the County's internal customers. To further support this effort, the County Executive approved the transfer of 1/1.0 SYE position from the Facilities Management Department to DPSM.

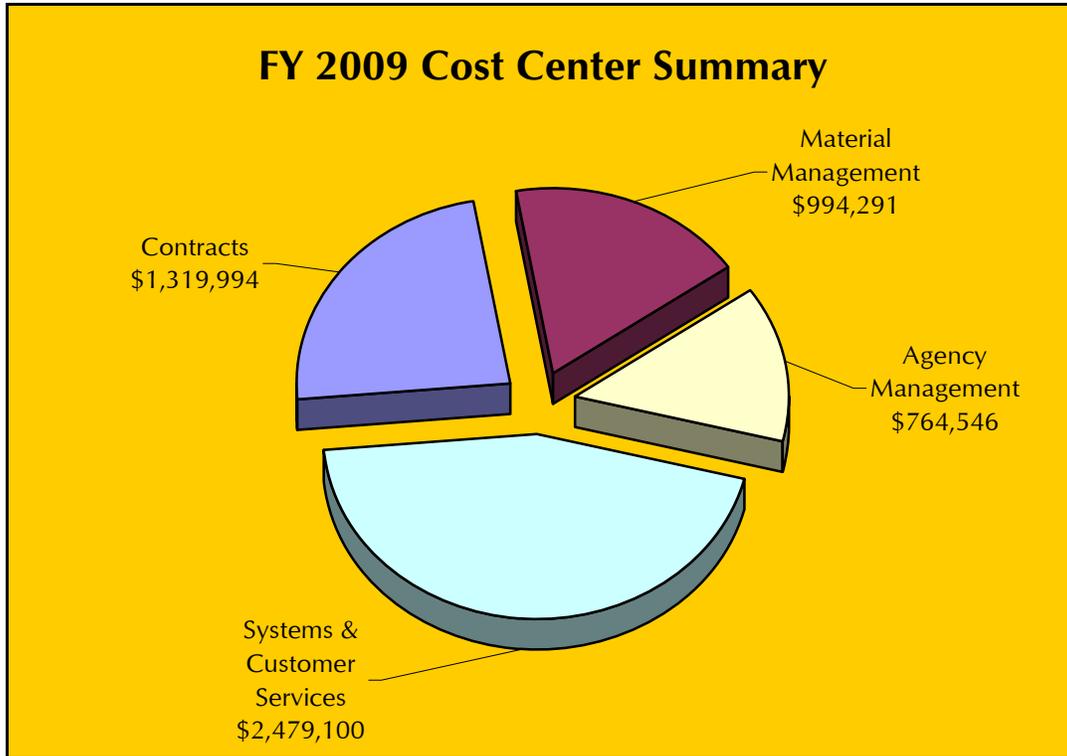
The following funding adjustments reflect all approved changes to the FY 2008 Revised Budget Plan from January 1, 2008 through April 21, 2008. Included are all adjustments made as part of the FY 2008 Third Quarter Review:

- ◆ **Third Quarter Adjustments** **(\$13,288)**
As part of the *FY 2008 Third Quarter Review*, the Board of Supervisors approved a decrease of \$13,288 in Personnel Services as part of an across-the-board reduction necessary to address budget limitations resulting from declining revenues. This adjustment accelerated the Personnel Services reduction included for FY 2009 in the FY 2009 Adopted Budget Plan.

Department of Purchasing and Supply Management

Cost Centers

The Department of Purchasing and Supply Management is divided into four distinct cost centers; Agency Management, Contracts, Material Management, and Systems and Customer Services. Working together, all four cost centers provide critical services in support of the agency's mission.



Agency Management

Funding Summary					
Category	FY 2007 Actual	FY 2008 Adopted Budget Plan	FY 2008 Revised Budget Plan	FY 2009 Advertised Budget Plan	FY 2009 Adopted Budget Plan
Authorized Positions/Staff Years					
Regular	11/ 11	11/ 11	11/ 11	12/ 12	11/ 11
Total Expenditures	\$751,198	\$745,767	\$748,974	\$755,537	\$764,546

Position Summary					
1 Director	2 Management Analysts III	3 Administrative Assistants IV			
1 Deputy Director	2 Management Analysts II	1 Administrative Assistant II			
	1 Management Analyst I				
TOTAL POSITIONS					
11 Positions / 11.0 Staff Years					

Department of Purchasing and Supply Management

Key Performance Measures

Goals

To provide overall direction, management and oversight of the County's centralized procurement and material management program. Management of the department is accomplished in accordance with the Code of Virginia and the Fairfax County Purchasing Resolution through policies that emphasize central control with decentralized implementation and selected delegation of authority. The procurement and material management program serves both Fairfax County government and Fairfax County Public Schools (FCPS) through purchasing, contract administration, warehousing, mainframe purchasing system administration, procurement assistance and compliance programs, and inventory management.

To support the Board of Supervisors' Supplier Diversity Program and Small Business Commission.

Objectives

- ◆ To maintain the percentage of formal contract actions awarded without valid protest or legal actions at 99.5 percent or greater.
- ◆ To maintain the cost of procuring \$100 worth of goods or services at \$0.20 or less, without a degradation of service.
- ◆ To maintain the dollar value of contracts awarded to small and minority businesses (processed through the mainframe procurement system) at 40 percent or greater.

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 2005 Actual	FY 2006 Actual	FY 2007 Estimate/Actual	FY 2008	FY 2009
Output:					
Formal contractual actions processed	698	910	800 / 725	800	725
Value of purchase orders, procurement card, and Internet transactions processed (millions)	\$527.50	\$616.30	\$659.50 / \$632.70	\$660.00	\$688.38
Total dollars awarded to small and minority businesses (millions) (1)	\$241.00	\$248.00	\$256.00 / \$250.00	\$255.00	\$260.00
Vendors attending monthly vendor workshop	116	124	130 / 140	150	160
Efficiency:					
Cost per formal contractual action	\$70	\$55	\$63 / \$69	\$62	\$71
Cost per \$100 of goods or services procured	\$0.32	\$0.17	\$0.17 / \$0.19	\$0.20	\$0.20
Average cost to educate and assist small and minority businesses	\$13.07	\$5.46	\$6.48 / \$5.98	\$6.67	\$6.53
Service Quality:					
Percent of contractual actions receiving valid protest	0.0%	0.0%	0.5% / 0.1%	0.3%	0.3%
Percent of customers indicating satisfaction with service	95%	92%	95% / 86%	90%	92%
Percent of small and minority businesses rating workshops as satisfactory or better	98.0%	100.0%	100.0% / 100.0%	98.0%	98.0%

Department of Purchasing and Supply Management

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 2005 Actual	FY 2006 Actual	FY 2007 Estimate/Actual	FY 2008	FY 2009
Outcome:					
Percent of formal contractual actions awarded without valid protest	100.0%	100.0%	99.5% / 99.9%	99.5%	99.5%
Percent change in cost to procure \$100 of goods or services	(18.0%)	(47.0%)	0.0% / 12.0%	5.3%	0.0%
Percent of procurement dollars awarded to small and minority businesses (1)	45.7%	45.7%	44.1% / 45.0%	43.7%	40.0%

(1) "Total dollars awarded to small, woman- and minority-owned businesses" and "Percent of procurement dollars awarded to small, woman- and minority-owned businesses" calculations do not include purchases through procurement card, since classification data is not available for those purchases.

Performance Measurement Results

In FY 2007, the Department of Purchasing and Supply Management awarded 725 contracts with a single valid protest, a 99.9 percent success rate for this measurement. This indicator underscores the outstanding reputation of the County's procurement program and reflects staff professionalism and training. In FY 2007, the cost to purchase \$100 of goods and services increased from \$0.17 to \$0.19, a \$0.02 rise. Although failing to meet the FY 2007 goal of "no increase" for this measurement, the \$0.19 figure still represents an historic low for this measurement, as measurements from FY 2003 to FY 2005 ranged from \$0.32 to \$0.42. This measurement reflects the overall productivity of the procurement staff and demonstrates the return on investment resulting from information technology innovations, workflow redesign efforts and overall program efficiency. This cost is expected to remain steady in FY 2008 and FY 2009. It is anticipated that total procurement volume will exceed \$688 million in FY 2009.

Education and outreach remain the focus of the Vendor Relations Division. In FY 2007, the County's expenditures attributed to small, women- and minority-owned businesses totaled \$249.8 million or 45 percent of procurement dollars processed through the mainframe procurement system.

Contracts

Funding Summary					
Category	FY 2007 Actual	FY 2008 Adopted Budget Plan	FY 2008 Revised Budget Plan	FY 2009 Advertised Budget Plan	FY 2009 Adopted Budget Plan
Authorized Positions/Staff Years					
Regular	0/ 0	18/ 18	19/ 19	18/ 18	19/ 19
Total Expenditures	\$0	\$1,299,665	\$1,300,865	\$1,302,632	\$1,319,994

Position Summary					
1 Management Analyst IV	5 Buyers II	5 Administrative Assistants IV			
4 Purchasing Supervisors	3 Buyers I	1 Administrative Assistant II			
TOTAL POSITIONS					
19 Positions / 19.0 Staff Years					

Department of Purchasing and Supply Management

Key Performance Measures

Goal

To provide all goods and services for County government and schools with the best possible combination of price, quality and timeliness, consistent with prevailing economic conditions, while establishing and maintaining a reputation of fairness and integrity.

Objectives

- ◆ To complete 95 percent of purchase requisitions (PR) against a valid contract within 10 days.
- ◆ To complete (from issue to award) 85 percent of all formal solicitations processed within the Department's established standard.

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 2005 Actual	FY 2006 Actual	FY 2007 Estimate/Actual	FY 2008	FY 2009
Output:					
Purchase requisitions converted to purchase orders (1)	7,193.0	7,094.0	7,100.0 / 6,172.0	5,250.0	5,100.0
Active contracts	2,576	2,677	2,784 / 2,795	2,865	2,936
Contractual awards processed	698	910	800 / 725	800	725
Efficiency:					
Purchase requisitions converted to purchase orders per buyer staff	553	591	546 / 475	328	319
Active contracts managed per buyer staff (2)	215.0	223.0	163.0 / 175.0	239.0	245.0
Formal contractual actions managed per buyer (2)	58.0	76.0	47.0 / 45.0	50.0	45.3
Service Quality:					
Percent satisfaction with the process to acquire goods and services based on annual customer satisfaction survey	86%	85%	88% / 85%	90%	90%
Percent satisfaction with timeliness of process to establish a contract	75%	66%	75% / 69%	70%	73%
Outcome:					
Percent of requisitions completed within 10 days	89.4%	91.0%	95.0% / 95.1%	95.0%	95.0%
Percent of formal solicitations completed within the established procurement schedule	91%	77%	85% / 82%	85%	85%

(1) In December 2007, Small Purchase Order limit increased from \$5,000 to \$10,000, decreasing the number of purchase orders that require buyer approval.

(2) In FY 2007, increased staff resources were directed to professional procurement activities, reducing the number of active contracts managed per buyer staff and the number of formal solicitations managed per staff.

Department of Purchasing and Supply Management

Performance Measurement Results

In FY 2007, the Department of Purchasing and Supply Management processed a record \$632.70 million in procurement volume through purchase orders, procurement card transactions, and Internet orders. The number of formal contractual awards fell from 910 in FY 2006 to 725 in FY 2007. This was attributable to the fact that a higher than normal number of contracts were awarded in FY 2006 as a result of the Consolidated Funding Pool, a multi-contract procurement effort that occurs every other year. Consistent with their reputation for a quality procurement product and process, the Contracts division completed a high volume of awards with only one valid protest.

The Department of Purchasing and Supply Management is not only focused on business volume; customer service is also valued as a reflection of the department's core values. As such, the department solicits feedback through a Procurement Project Satisfaction Survey at the conclusion of every formal solicitation. The FY 2009 target is to complete 85 percent of all formal solicitations within the established procurement schedule. In FY 2007, the department saw an improvement in its ability to meet this objective, increasing to a rate of 82 percent of solicitations completed within the time scheduled from 77 percent in FY 2006. Customer satisfaction with the timeliness of the contracting process showed a corresponding increase from 66 to 69 percent in FY 2007, an indication that the department is coming closer to meeting customer expectations in this area. The department's strategic plan includes an initiative to reduce the average processing time for competitive bidding and competitive negotiations by seven and ten working days, respectively. However, as the number of solicitations for comprehensive services continues to increase, the department struggles to keep pace with our customers' expectations for expeditious procurement of complex contract services.

In FY 2009, the department aims to maintain the goal of completing 95 percent of purchase requisitions within 10 days. From FY 2006 to FY 2007 this percentage grew from 91.0 percent to 95.1 percent. The department established metrics for managing this measurement and anticipates continued improvement.

Material Management

Funding Summary					
Category	FY 2007 Actual	FY 2008 Adopted Budget Plan	FY 2008 Revised Budget Plan	FY 2009 Advertised Budget Plan	FY 2009 Adopted Budget Plan
Authorized Positions/Staff Years					
Regular	0/ 0	11/ 11	15/ 15	15/ 15	15/ 15
Total Expenditures	\$0	\$631,411	\$639,573	\$988,543	\$994,291

Position Summary					
1	Property Management Supervisor	1	Warehouse Specialist	1	Buyer I
2	Warehouse Supervisors	9	Warehouse Worker-Drivers	1	Gen. Building Maint. Worker I
TOTAL POSITIONS					
15 Positions / 15.0 Staff Years					

Key Performance Measures

Goal

To provide central warehousing services, including storage and distribution of furniture and supplies to County agencies in a timely manner, and to redistribute excess property to reduce costs. To manage a surplus property program for the disposal of property in a responsible and timely manner, while maximizing return. To support County library operations with the timely transfer of over seven million books to and from the 22 libraries. To continue in its role as a key player in emergency planning and response on the local, regional and statewide levels.

Department of Purchasing and Supply Management

Objectives

- ◆ To fulfill 90 percent of customer requests for material pick up and distribution within 5 days of receipt of a request document.
- ◆ To support circulation of library materials through DPSM book distribution program by transferring 60 percent or more of total circulation annually.
- ◆ To provide a process for customers to identify and obtain items from excess property, reaching a customer satisfaction level of at least 90 percent.

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 2005 Actual	FY 2006 Actual	FY 2007 Estimate/Actual	FY 2008	FY 2009
Output:					
Pick-up and redistribution requests received annually	NA	NA	NA	2,000	2,000
Number of books transferred annually	NA	NA	NA	NA	7,737,600
Pick-up and redistribution requests fulfilled annually for excess/surplus property	NA	NA	NA	650	650
Efficiency:					
Administrative processing cost for a pick-up or redistribution request	NA	NA	NA	\$4.77	\$4.96
Transfer cost per book	NA	NA	NA	NA	\$0.031
Cost to fulfill a pick-up and redistribution request for excess/surplus property pick-up or delivery	NA	NA	NA	\$127.95	\$133.07
Service Quality:					
Percent of customers indicating satisfaction with Warehouse pick-up and redistribution services	NA	NA	NA	90%	90%
Percentage of books transferred within 1 working day	NA	NA	NA	NA	98.0%
Percent of customers indicating satisfaction with the process for obtaining excess property	NA	NA	NA	90%	90%
Outcome:					
Percent of pick-up and redistribution requests processed within 5 days of receipt of request	NA	NA	NA	90%	90%
Percentage of annual library circulation transferred by DPSM	NA	NA	NA	NA	60%
Percent of excess property pick-up and redistribution requests processed within 5 days of receipt of request	NA	NA	NA	90%	90%

Department of Purchasing and Supply Management

Performance Measurement Results

Beginning in FY 2008, the former Purchasing and Material Management Division was separated into two separate cost centers – the Contracts Division and the Material Management Division. This separation will permit better tracking of expenditures and the application of more precise measurements and management controls, in particular the tracking of costs to provide customers with procurement and warehouse related services. All indicators for Material Management were newly established in FY 2008 and FY 2009.

Purchasing and Material Management*

Funding Summary					
Category	FY 2007 Actual	FY 2008 Adopted Budget Plan	FY 2008 Revised Budget Plan	FY 2009 Advertised Budget Plan	FY 2009 Adopted Budget Plan
Authorized Positions/Staff Years					
Regular	29/ 29	0/ 0	0/ 0	0/ 0	0/ 0
Total Expenditures	\$1,796,160	\$0	\$0	\$0	\$0

* This cost center reflects historical expenditures only. All FY 2008 budget data is now shown in the separate costs centers for "Contracts" and "Material Management" above.

Performance Measurement Results

Starting in FY 2008, all indicators and performance results for the former Purchasing and Material Management Division are reflected under two new cost centers – the Contracts Division and the Material Management Division.

Systems and Customer Services

Funding Summary					
Category	FY 2007 Actual	FY 2008 Adopted Budget Plan	FY 2008 Revised Budget Plan	FY 2009 Advertised Budget Plan	FY 2009 Adopted Budget Plan
Authorized Positions/Staff Years					
Regular	14/ 14	14/ 14	14/ 14	14/ 14	14/ 14
Total Expenditures	\$2,405,470	\$2,413,679	\$2,437,780	\$2,465,098	\$2,479,100

Position Summary					
1 Management Analyst IV	2 Management Analysts I	1 Business Analyst II			
2 Management Analysts III	1 Network Telecommunications Analyst II	2 Business Analysts I			
3 Management Analysts II	1 Business Analyst IV	1 IT Technician I			
TOTAL POSITIONS					
14 Positions / 14.0 Staff Years					

Department of Purchasing and Supply Management

Key Performance Measures

Goal

To provide system management, administration and training support for all County and FCPS users of the mainframe-based County and Schools Procurement System (CASPS); provide management and technical operation and maintenance of the department's Local Area Network (LAN), Web sites, Document Management System and Electronic Data Interchange (EDI) system; provide user administration and training for the use of the Office Depot and eVA electronic procurement portals; provide procurement assistance and eVA registration support to the County's business community; and provide centralized assistance and oversight to the County/FCPS inventory management, procurement, and accountable personal property programs.

Objectives

- ◆ To accurately track and maintain the County's consumable and fixed assets inventories, maintaining an accuracy rate of at least 98 percent.
- ◆ To increase the use of electronic commerce, Internet ordering and procurement card for delivering orders to suppliers by delivering 88 percent of orders via electronic commerce and achieving 100 percent of rebates.
- ◆ To maintain the percent of help desk calls closed in one day or less at 95 percent or higher.
- ◆ To complete 100 percent of scheduled procurement assistance and compliance reviews.

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 2005 Actual	FY 2006 Actual	FY 2007 Estimate/Actual	FY 2008	FY 2009
Output:					
Line items carried in Consumable Inventory Account	14,601	14,079	13,500 / 13,131	12,900	12,500
Fixed assets in the Capital Equipment Account	15,400	16,049	16,500 / 16,756	16,750	17,000
Small Purchase Orders and Purchase Orders sent electronically via EDI	5,111	4,916	4,900 / 5,140	5,100	5,225
Percent of office supply orders submitted via Internet	86%	88%	87% / 88%	88%	88%
Value of procurement card purchases (in millions)	\$60.60	\$73.60	\$80.00 / \$73.10	\$75.00	\$80.00
Rebates and incentives received	\$1,130,197	\$1,599,100	\$1,947,000 / \$1,773,876	\$1,800,000	\$1,947,000
Assistance/help desk calls received/processed	704	774	700 / 584	600	500
Procurement Assistance and Compliance reviews completed (1)	NA	NA	13 / 14	14	15

Department of Purchasing and Supply Management

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 2005 Actual	FY 2006 Actual	FY 2007 Estimate/Actual	FY 2008	FY 2009
Efficiency:					
Cost per line item to maintain consumable inventory accuracy of at least 95 percent (2)	\$2.87	\$3.26	\$4.78 / \$4.92	\$4.95	\$5.11
Cost per fixed asset to maintain at least 95 percent inventory accuracy	\$6.37	\$6.98	\$6.95 / \$6.84	\$7.22	\$7.11
Cost per \$1 of rebate received	\$0.07	\$0.06	\$0.06 / \$0.07	\$0.07	\$0.07
Average time to close each help desk call answered (hours)	2.0	2.0	2.5 / 1.5	2.0	2.0
Procurement Assistance and Compliance reviews completed per analyst (1)	NA	NA	3.2 / 3.5	3.5	3.7
Service Quality:					
Percent of customers rating consumable inventory tracking as satisfactory or better	92%	91%	95% / 94%	95%	95%
Percent of customers satisfied with the procurement card program	99%	97%	95% / 95%	95%	95%
Percent of customers rating help desk as satisfactory or better	94%	94%	95% / 94%	95%	95%
Percent of customers stating the Procurement Assistance and Compliance review revealed areas for improvement (1)	NA	NA	90% / 100%	90%	90%
Percent of customers stating the Procurement Assistance and Compliance review strengthened internal controls (1)	NA	NA	90% / 100%	90%	90%
Outcome:					
Percent of consumable items accurately tracked	99%	98%	98% / 98%	98%	98%
Percent of fixed assets accurately tracked	99%	99%	98% / 97%	98%	98%
Percent of rebates achieved relative to plan	126.0%	139.0%	100.0% / 91.0%	100.0%	100.0%
Percent of orders transmitted via electronic commerce	86.2%	87.3%	88.0% / 88.5%	88.0%	88.0%
Percent of help desk calls closed in one day or less	96%	98%	95% / 96%	95%	95%
Percent of Procurement Assistance and Compliance reviews completed as scheduled (1)	NA	NA	100.0% / 100.0%	100.0%	100.0%

(1) New FY 2007 indicator.

(2) The Department of Purchasing and Supply Management (DPSM) provides inventory oversight and assistance to agencies that maintain inventories. DPSM's staff cost per inventory line item has increased steadily since FY 2005 because, while the steady reduction in the number of line items creates efficiencies for the user agencies, the number of inventory sites and cost to support those sites remains static for DPSM.

Department of Purchasing and Supply Management

Performance Measurement Results

In FY 2007, the Department of Purchasing and Supply Management successfully met the objective of maintaining a consumable inventory tracking accuracy rate of 98 percent. Percent of fixed assets accurately tracked was 97 percent. These results demonstrate the financial stewardship of the inventory management team and the department commitment to the protection of County assets.

The growth over time in the percentage of orders transmitted via electronic commerce highlights the department's success in migrating paper-based procurement transactions to electronic transactions. Electronic orders grew from 82.7 percent in FY 2004 to 88.5 percent in FY 2007, creating both cost savings and process efficiencies. The department is setting a target of 89 percent for FY 2009.

Rebate revenues generated through the procurement card program and the various contracts awarded as part of the U.S. Communities Government Purchasing Alliance program, including the Office Depot contract, grew to \$1,773,876 in FY 2007. Although failing to meet the estimated goal for FY 2007, rebates still increased 11 percent over FY 2006, and are anticipated to increase to \$1,947,000 in FY 2009.

Calls to the CASPS Help Desk dropped to 584 in FY 2007. The decrease is due to the full implementation of iCASPS, which makes the mainframe procurement system much more user-friendly for Department customers. The ongoing emphasis on responsiveness helped drop the average call closure time to 1.5 hours, allowing the staff to close 96 percent of FY 2006 calls in less than one day. The Department has also implemented web-based training focused on improving system users' understanding and performance.