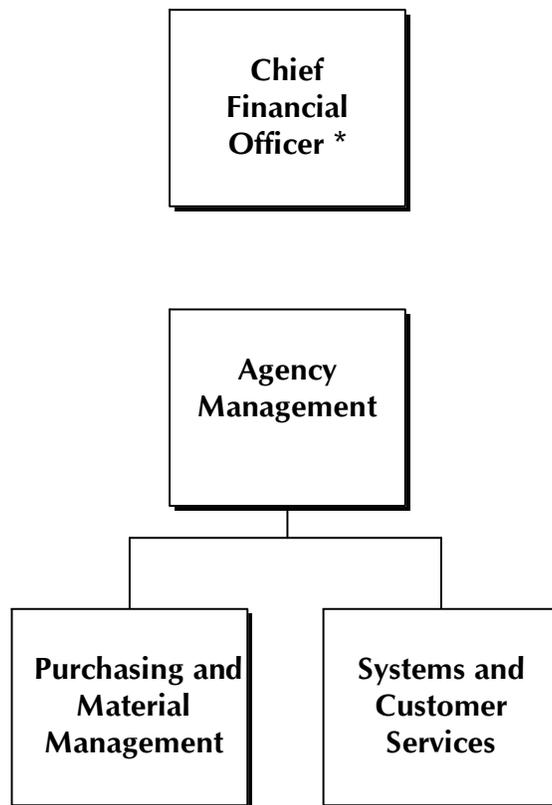


# Department of Purchasing and Supply Management



\* The Chief Financial Officer has responsibility for strategic direction and oversight of this agency; however, for budget purposes, this position and associated funding are reflected within the Department of Management and Budget

## Mission

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

## Focus

The Department of Purchasing and Supply Management strives to join with vendors 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.

Two trends affecting the public procurement profession are anticipated to impact the manner in which the Department of Purchasing and Supply Management conducts business. First, from a legislative perspective there is an increasing drive to reduce the regulatory role of a public procurement organization. The elimination of red-tape in the procurement process has moved much of the control and oversight of procurement transactions to an audit role, performed after the purchase has been conducted. Public purchasers are being given more tools to make fast and effective buys, enabled by the increased value of delegated purchasing authority and cooperative

## THINKING STRATEGICALLY

Strategic challenges for the Department include:

- Adjusting to a post procurement audit role rather than a regulatory role in public procurement;
- Empowering agencies to act quickly and effectively in procuring necessary supplies and materials;
- Participating in state, regional, and national programs to maximize the County and the Commonwealth's presence in the marketplace;
- Investing in technology to provide user friendly access to the procurement function and increase productivity; and
- Encouraging small and minority businesses to provide services to the County.

# Department of Purchasing and Supply Management

purchasing agreements. Public procurement managers are using new legislative authority to establish spend management contracts that aggregate requirements and leverage buying power and reduce administrative costs. The Department of Purchasing and Supply Management is an advisory board member of the U. S. Communities Government Purchasing Alliance, an organization that pools the purchasing power of public agencies to achieve bulk volume discounts. Fairfax County has acted as the lead agency to establish two such contracts, office furniture and technology products. The Department is also actively participating in the Commonwealth of Virginia's Partners in Procurement program, a statewide initiative designed to maximize the state's presence in the marketplace.

Second, investments in technology have enabled the introduction of web-based transactions including electronic notice of business opportunities, electronic bidding, electronic shopping through e-malls and electronic ordering. In addition, technology investments are now providing County business partners with 24-hour-per-day, 7-day-per-week access to sales opportunities, the ability to submit quotes, bids and proposals at any time, and the ability to receive orders and maintain vendor database information at their convenience.

In support of the Board of Supervisors Small Business Enterprise (SBE) program, the Office of Small Business strives to assist the small and minority business community in their efforts to do business with Fairfax County Government. In addition, the Office of Small Business provides support to the Small Business Commission.

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

|  <b>Maintaining Safe and Caring Communities</b>  | <b>Recent Success</b> | <b>FY 2005 Initiative</b> | <b>Cost Center</b>                 |
|---|-----------------------|---------------------------|------------------------------------|
| Participate in the implementation of homeland security measures as a designated Emergency Support Function and work with the regional quartermaster function of the Council of Governments.   | ☑                     | ☑                         | Purchasing and Material Management |
|  <b>Maintaining Healthy Economies</b>  | <b>Recent Success</b> | <b>FY 2005 Initiative</b> | <b>Cost Center</b>                 |
| Develop, implement and monitor a small, local and minority business utilization program to compliment the U.S. Communities Government Purchasing Alliance and track procurement volume and dollars that go to small, local and minority business interests under these contracts. | ☑                     | ☑                         | Agency Management                  |
|  <b>Practicing Environmental Stewardship</b>   | <b>Recent Success</b> | <b>FY 2005 Initiative</b> | <b>Cost Center</b>                 |
| Develop an environmentally responsible (or green) purchasing strategy and educational model to assist customers in identifying and utilizing sustainable sources for products such as carpet and janitorial supplies.   |                       | ☑                         | Purchasing and Material Management |

## Department of Purchasing and Supply Management

|  <b>Creating a Culture of Engagement</b>   | <b>Recent Success</b>               | <b>FY 2005 Initiative</b>           | <b>Cost Center</b>            |
|---|-------------------------------------|-------------------------------------|-------------------------------|
| <p>Establish and strengthen partnerships with the business community. Continue to sponsor and deliver monthly workshops, "Doing Business with the County of Fairfax" in conjunction with the Fairfax County Small Business Commission. The workshops are part of continued outreach programs, intended to maximize prime and subcontract opportunities for small and minority-owned businesses.</p> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Agency Management             |
| <p>Incorporate customer feedback into DPSM's planning and decision making process.</p>  |                                     | <input checked="" type="checkbox"/> | Agency Management             |
|  <b>Corporate Stewardship</b>  | <b>Recent Success</b>               | <b>FY 2005 Initiative</b>           | <b>Cost Center</b>            |
| <p>Develop and implement a program to identify and analyze risk factors and market conditions for those commercial activities currently performed by County staff that present contracting opportunities.</p>   |                                     | <input checked="" type="checkbox"/> | Agencywide                    |
| <p>Implement iCASPS, the web-enabled version of the County's mainframe procurement system. Provide end users with solid training foundation and continuing training opportunities on purchasing issues.</p>   | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Agencywide                    |
| <p>Establish and manage national and distributor contracts under the U.S. Communities Government Purchasing Alliance.</p>   | <input checked="" type="checkbox"/> |                                     | Agencywide                    |
| <p>Implement online vendor registration and electronic bidding using eVA, Virginia's G2B (government to business) web site; participate in pilot e-procurement portals such as Office Depot and eVA.</p>  | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Agencywide                    |
| <p>Develop fax capability for Notices of Solicitation to complement the existing e-mail and U.S. mail process; enhance the internet Contract Register by incorporating Notices of Award into the database thereby improving search capability.</p>  | <input checked="" type="checkbox"/> |                                     | Agencywide                    |
| <p>Fully implement the electronic document management and imaging system for contract files and property records.</p>   | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Systems and Customer Services |

# Department of Purchasing and Supply Management

## Budget and Staff Resources



| Agency Summary                   |                    |                                   |                                   |                                      |                                   |
|----------------------------------|--------------------|-----------------------------------|-----------------------------------|--------------------------------------|-----------------------------------|
| Category                         | FY 2003<br>Actual  | FY 2004<br>Adopted<br>Budget Plan | FY 2004<br>Revised<br>Budget Plan | FY 2005<br>Advertised<br>Budget Plan | FY 2005<br>Adopted<br>Budget Plan |
| Authorized Positions/Staff Years |                    |                                   |                                   |                                      |                                   |
| Regular                          | 57/ 57             | 52/ 52                            | 52/ 52                            | 52/ 52                               | 52/ 52                            |
| Expenditures:                    |                    |                                   |                                   |                                      |                                   |
| Personnel Services               | \$2,812,610        | \$2,775,237                       | \$2,765,237                       | \$2,881,984                          | \$2,881,984                       |
| Operating Expenses               | 1,107,129          | 1,245,554                         | 1,255,554                         | 1,312,659                            | 1,312,659                         |
| Federal Public Housing           | 0                  | 0                                 | 0                                 | 0                                    | 0                                 |
| <b>Total Expenditures</b>        | <b>\$3,919,739</b> | <b>\$4,020,791</b>                | <b>\$4,020,791</b>                | <b>\$4,194,643</b>                   | <b>\$4,194,643</b>                |
| Income:                          |                    |                                   |                                   |                                      |                                   |
| Contract Rebates                 | \$262,243          | \$202,100                         | \$283,200                         | \$288,864                            | \$288,864                         |
| <b>Total Income</b>              | <b>\$262,243</b>   | <b>\$202,100</b>                  | <b>\$283,200</b>                  | <b>\$288,864</b>                     | <b>\$288,864</b>                  |
| <b>Net Cost to the County</b>    | <b>\$3,657,496</b> | <b>\$3,818,691</b>                | <b>\$3,737,591</b>                | <b>\$3,905,779</b>                   | <b>\$3,905,779</b>                |

## FY 2005 Funding Adjustments

The following funding adjustments from the FY 2004 Revised Budget Plan are necessary to support the FY 2005 program:

- ◆ **Employee Compensation** **\$106,747**  
An increase of \$106,747 associated with salary adjustments necessary to support the County's compensation program.
- ◆ **Other Adjustments** **\$67,105**  
An increase of \$67,105 for Department of Vehicle Services and Information Technology Infrastructure charges based on the agency's historic usage.

## Board of Supervisors' Adjustments

The following funding adjustments reflect all changes to the FY 2005 Advertised Budget Plan, as approved by the Board of Supervisors on April 26, 2004:

- ◆ The Board of Supervisors made no adjustments to this agency.

## Changes to FY 2004 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2004 Revised Budget Plan since passage of the FY 2004 Adopted Budget Plan. Included are all adjustments made as part of the FY 2003 Carryover Review and all other approved changes through December 31, 2003:

- ◆ There have been no revisions to this agency since approval of the FY 2004 Adopted Budget Plan.

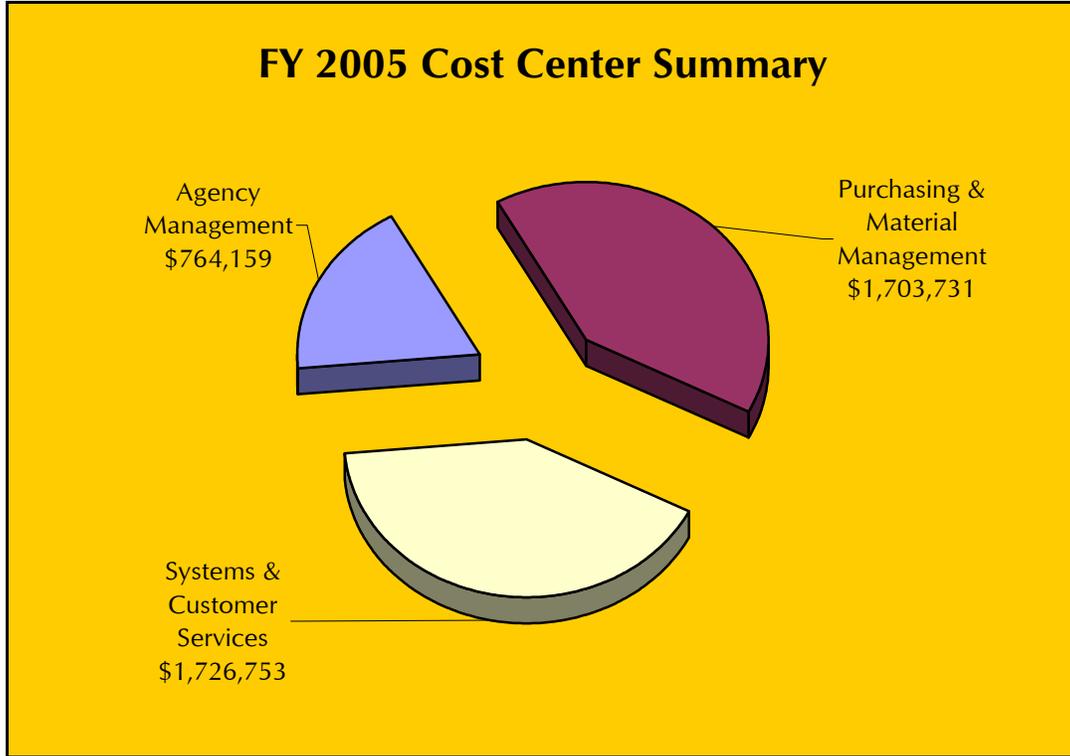
The following funding adjustments reflect all approved changes to the FY 2004 Revised Budget Plan from January 1, 2004 through April 19, 2004. Included are all adjustments made as part of the FY 2004 Third Quarter Review:

- ◆ The Board of Supervisors made no adjustments to this agency.

# Department of Purchasing and Supply Management

## Cost Centers

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



## Agency Management

| Funding Summary                  |                   |                                   |                                   |                                      |                                   |
|----------------------------------|-------------------|-----------------------------------|-----------------------------------|--------------------------------------|-----------------------------------|
| Category                         | FY 2003<br>Actual | FY 2004<br>Adopted<br>Budget Plan | FY 2004<br>Revised<br>Budget Plan | FY 2005<br>Advertised<br>Budget Plan | FY 2005<br>Adopted<br>Budget Plan |
| Authorized Positions/Staff Years |                   |                                   |                                   |                                      |                                   |
| Regular                          | 11/ 11            | 11/ 11                            | 11/ 11                            | 11/ 11                               | 11/ 11                            |
| <b>Total Expenditures</b>        | <b>\$613,043</b>  | <b>\$640,951</b>                  | <b>\$643,951</b>                  | <b>\$764,159</b>                     | <b>\$764,159</b>                  |

| Position Summary                |          |   |                              |   |                               |
|---------------------------------|----------|---|------------------------------|---|-------------------------------|
| 1                               | Director | 2 | Management Analysts III      | 3 | Administrative Assistants III |
|                                 |          | 2 | Administrative Assistants IV | 3 | Administrative Assistants II  |
| <b>TOTAL POSITIONS</b>          |          |   |                              |   |                               |
| 11 Positions / 11.0 Staff Years |          |   |                              |   |                               |

# Department of Purchasing and Supply Management

## Key Performance Measures

### Goal

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 includes purchasing, contract administration, warehousing and distribution, mainframe purchasing system administration, procurement assistance and compliance programs, and excess and surplus property management for the County government and the Fairfax County Public Schools (FCPS) and other ancillary authorities. To support the Board of Supervisors' Small Business Enterprise (SBE) Program and Small Business Commission.

### Objectives

- ◆ To maintain the percentage of formal contract actions awarded without valid protest or legal actions at 99 percent or better.
- ◆ To maintain the cost of procuring \$100 worth of goods or services at \$0.50 without a degradation of service.
- ◆ To increase the dollar value of contracts awarded to small and minority businesses from 36 percent to 38 percent toward a target of 40 percent.

| Indicator  | Prior Year Actuals |                |                         | Current Estimate | Future Estimate |
|--|--------------------|----------------|-------------------------|------------------|-----------------|
|  | FY 2001 Actual     | FY 2002 Actual | FY 2003 Estimate/Actual | FY 2004          | FY 2005         |
| <b>Output:</b>   |                    |                |                         |                  |                 |
| Formal contractual actions processed   | 779                | 677            | 700 / 604               | 600              | 600             |
| Value of purchase orders, procurement card, and Internet transactions processed (millions) | \$388.8            | \$429.7        | \$404.0 / \$431.8       | \$434.0          | \$436.0         |
| Total dollars awarded to small and minority businesses (millions) (1)                      | NA                 | \$125          | \$131 / \$114           | \$144            | \$166           |
| Vendors attending monthly vendor workshop  | NA                 | NA             | NA                      | NA               | 120             |
| <b>Efficiency:</b>   |                    |                |                         |                  |                 |
| Cost per formal contractual action   | \$66               | \$68           | \$66 / \$77             | \$72             | \$77            |
| Cost per \$100 of goods or services procured   | \$0.47             | \$0.41         | \$0.50 / \$0.42         | \$0.50           | \$0.50          |
| Average cost to educate and assist small and minority businesses (1)                       | NA                 | \$95.00        | \$89.00 / \$24.80       | \$16.00          | \$16.00         |
| <b>Service Quality:</b>  |                    |                |                         |                  |                 |
| Percent of contractual actions receiving valid protest                                     | 0.1%               | 0.0%           | 2.0% / 0.2%             | 2.0%             | 1.0%            |
| Percent of customers indicating satisfaction with service                                  | 93%                | 95%            | 95% / 95%               | 95%              | 95%             |
| Percent of small and minority businesses rating workshops as satisfactory or better (1)    | NA                 | 85.0%          | 85.0% / 98.0%           | 98.0%            | 98.0%           |

# Department of Purchasing and Supply Management

| Indicator   | Prior Year Actuals |                |                         | Current Estimate | Future Estimate |
|---|--------------------|----------------|-------------------------|------------------|-----------------|
|   | FY 2001 Actual     | FY 2002 Actual | FY 2003 Estimate/Actual | FY 2004          | FY 2005         |
| <b>Outcome:</b>   |                    |                |                         |                  |                 |
| Percent of formal contractual actions awarded without valid protest         | 99.9%              | 100.0%         | 98.0% / 99.8%           | 99.0%            | 99.0%           |
| Percent change in cost to procure \$100 of goods or services                | 0.0%               | (12.0%)        | 0.0% / 2.4%             | 0.0%             | 0.0%            |
| Percent of procurement dollars awarded to small and minority businesses (1) | NA                 | 31.5%          | 32.0% / 29.0%           | 36.0%            | 38.0%           |

(1) The measures pertaining to the percent of contracts awarded to small and minority businesses is new starting in FY 2002. Prior year data is not available.

## Performance Measurement Results

In FY 2003, the Department of Purchasing and Supply Management was able to award 99.8 percent of all contracts without a valid protest. This indicator reflects staff professionalism and training and the overall quality of the procurement program and is one of many factors considered by the National Institute of Governmental Purchasing in awarding the department their Outstanding Agency Achievement designation. In FY 2003, the Department maintained the cost to purchase \$100 of goods and services at less than \$0.50 for the sixth straight year, with diminishing resources and a steadily increasing value of procurement transactions. This accomplishment demonstrates the return on investment in information technology innovations, workflow redesign efforts and overall program efficiency.

In FY 2003, the Department of Purchasing and Supply Management began using the Commonwealth of Virginia's vendor database in the electronic procurement portal, eVA. Due to this transition, the department is no longer able to track the number of small and minority vendors registered in the vendor database as had been previously reported. Education and outreach remain the focus of the Small Business Enterprise (SBE) program. Monthly workshops, designed to assist small and minority vendors, have resulted in 29 percent of procurement dollars going to small and minority businesses in FY 2003. In addition, 98 percent of the vendors attending SBE workshops rated the educational offerings as satisfactory, or better. In FY 2004, the Office of Small Business will begin working with US Communities contractors to develop a process to track second tier procurement dollars to the small and minority business community for contracts being used by Fairfax County. The target for FY 2005 is to increase the dollars awarded to small and minority businesses to 38 percent.

## Purchasing and Material Management

| Funding Summary                  |                    |                             |                             |                                |                             |
|----------------------------------|--------------------|-----------------------------|-----------------------------|--------------------------------|-----------------------------|
| Category                         | FY 2003 Actual     | FY 2004 Adopted Budget Plan | FY 2004 Revised Budget Plan | FY 2005 Advertised Budget Plan | FY 2005 Adopted Budget Plan |
| Authorized Positions/Staff Years |                    |                             |                             |                                |                             |
| Regular                          | 32 / 32            | 27 / 27                     | 27 / 27                     | 27 / 27                        | 27 / 27                     |
| <b>Total Expenditures</b>        | <b>\$1,704,444</b> | <b>\$1,684,156</b>          | <b>\$1,640,156</b>          | <b>\$1,703,731</b>             | <b>\$1,703,731</b>          |

# Department of Purchasing and Supply Management

| Position Summary                |                        |   |                                |   |                              |
|---------------------------------|------------------------|---|--------------------------------|---|------------------------------|
| 1                               | Deputy Director        | 1 | Property Management Supervisor | 7 | Warehouse Worker-Drivers     |
| 2                               | Purchasing Supervisors | 1 | Warehouse Supervisor           | 1 | Management Analyst III       |
| 10                              | Buyers II              | 1 | Warehouse Specialist           | 1 | Administrative Assistant III |
| 2                               | Buyers I               |   |                                |   |                              |
| 27 TOTAL POSITIONS              |                        |   |                                |   |                              |
| 27 Positions / 27.0 Staff Years |                        |   |                                |   |                              |

## Key Performance Measures

### Goal

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

### Objectives

- ◆ To complete 94 percent of purchase requisitions (PR) against a valid contract within 10 days, toward a target of 98 percent.
- ◆ To complete (from issue to award) 95 percent of all formal solicitations processed within the DPSM established standard.

| Indicator  | Prior Year Actuals |                |                         | Current Estimate | Future Estimate |
|--|--------------------|----------------|-------------------------|------------------|-----------------|
|  | FY 2001 Actual     | FY 2002 Actual | FY 2003 Estimate/Actual | FY 2004          | FY 2005         |
| <b>Output:</b>   |                    |                |                         |                  |                 |
| Purchase requisitions converted to purchase orders (1)   | 6,101              | 5,977          | 6,000 / 5,936           | 5,850            | 5,600           |
| Active contracts   | NA                 | 2,034          | 2,034 / 2,366           | 2,200            | 2,200           |
| Contractual actions processed  | 779                | 677            | 700 / 604               | 600              | 600             |
| <b>Efficiency:</b>   |                    |                |                         |                  |                 |
| Purchase requisitions converted to purchase orders per buyer staff   | 469                | 460            | 461 / 457               | 450              | 430             |
| Active contracts managed per buyer staff   | NA                 | 156            | 156 / 197               | 183              | 180             |
| Formal solicitations managed per buyer   | 60                 | 52             | 54 / 50                 | 50               | 50              |
| <b>Service Quality:</b>  |                    |                |                         |                  |                 |
| Percent satisfaction with the process to acquire goods and services based on annual customer satisfaction survey | 85%                | 92%            | 95% / 94%               | 95%              | 95%             |
| Percent satisfaction with timeliness of process to establish a contract  | 75%                | 70%            | 90% / 81%               | 82%              | 83%             |

# Department of Purchasing and Supply Management

| Indicator   | Prior Year Actuals |                |                         | Current Estimate | Future Estimate |
|---|--------------------|----------------|-------------------------|------------------|-----------------|
|   | FY 2001 Actual     | FY 2002 Actual | FY 2003 Estimate/Actual | FY 2004          | FY 2005         |
| <b>Outcome:</b>   |                    |                |                         |                  |                 |
| Percent of requisitions completed within 10 days                                      | 90.7%              | 91.0%          | 94.0% / 91.3%           | 94.0%            | 94.0%           |
| Percent of formal solicitations completed within the established procurement schedule | NA                 | 96%            | 95% / 94%               | 95%              | 95%             |

(1) Purchase requisition to purchase order conversion trend reflects increased activity in use of procurement card.

## Performance Measurement Results

In FY 2003, the Department of Purchasing and Supply Management awarded 604 contracts and processed a record \$431,800,000 procurement volume via purchase orders, procurement card transactions, and internet orders. The department was able to achieve this remarkable volume of activity with only a single valid protest.

The Department of Purchasing and Supply Management is not focused only on business volume, the Department also values customer service as a reflection of our core values. As such, the Department solicits feedback via a Procurement Project Satisfaction Survey at the conclusion of every formal solicitation. The objective targets completion of 95 percent of all formal solicitations within the established procurement schedule. In FY 2003, the department substantially achieved this goal by completing 94 percent. Customer satisfaction with the timeliness of the contracting process increased a noteworthy 11 percent in FY 2003. This achievement is the result of improved workflows and constant recognition of the important role that the county procurement process plays in the delivery of services.

In FY 2005, the Department will continue to strive towards reaching the goal of competing 94 percent of purchase requisitions within ten days. As the number of purchase requisitions received continues to decrease, reflecting increased activity in procurement card transactions, electronic data interchange, and internet ordering, the goal should be attained.

## Systems and Customer Services



| Funding Summary                  |                    |                             |                             |                                |                             |
|----------------------------------|--------------------|-----------------------------|-----------------------------|--------------------------------|-----------------------------|
| Category                         | FY 2003 Actual     | FY 2004 Adopted Budget Plan | FY 2004 Revised Budget Plan | FY 2005 Advertised Budget Plan | FY 2005 Adopted Budget Plan |
| Authorized Positions/Staff Years |                    |                             |                             |                                |                             |
| Regular                          | 14/ 14             | 14/ 14                      | 14/ 14                      | 14/ 14                         | 14/ 14                      |
| <b>Total Expenditures</b>        | <b>\$1,602,252</b> | <b>\$1,695,684</b>          | <b>\$1,736,684</b>          | <b>\$1,726,753</b>             | <b>\$1,726,753</b>          |

| Position Summary                       |                                  |   |                                       |   |                             |
|--|----------------------------------|---|---------------------------------------|---|-----------------------------|
| 1                                      | Management Analyst IV            | 1 | Business Analyst III                  | 1 | Property Auditor            |
| 1                                      | Management Analyst III           | 1 | Business Analyst II                   | 1 | IT Technician I             |
| 2                                      | Management Analysts II           | 1 | Business Analyst I                    | 1 | Administrative Assistant V  |
| 2                                      | Inventory Management Supervisors | 1 | Network Telecommunications Analyst II | 1 | Administrative Assistant IV |
| <b>TOTAL POSITIONS</b>                 |                                  |   |                                       |   |                             |
| <b>14 Positions / 14.0 Staff Years</b> |                                  |   |                                       |   |                             |

# Department of Purchasing and Supply Management

## Key Performance Measures

### Goal

To provide system management and administration to 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 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 (Electronic Data Interchange (EDI), Internet ordering, and procurement card) for delivering orders to vendors with a target of delivering more than 80 percent of the orders via electronic commerce and achieving 95 percent of rebates.
- ◆ To maintain the percent of help desk calls closed in one day or less at 90 percent.

| Indicator   | Prior Year Actuals |                |                         | Current Estimate | Future Estimate |
|---|--------------------|----------------|-------------------------|------------------|-----------------|
|   | FY 2001 Actual     | FY 2002 Actual | FY 2003 Estimate/Actual | FY 2004          | FY 2005         |
| <b>Output:</b>  |                    |                |                         |                  |                 |
| Line items carried in consumable inventory account                                  | 17,100             | 17,250         | 16,900 / 16,043         | 16,000           | 15,500          |
| Fixed assets in the Capital Equipment Account (1)                                   | 7,260              | 7,851          | 13,800 / 14,056         | 15,000           | 15,600          |
| Small Purchase Orders and Purchase Orders sent via EDI                              | 3,219              | 3,236          | 2,900 / 3,609           | 3,600            | 3,600           |
| Percent of office supply orders submitted via Internet                              | 58%                | 67%            | 62% / 72%               | 78%              | 80%             |
| Value of procurement card purchases (in millions)                                   | \$26.7             | \$31.3         | \$30.5 / \$37.0         | \$44.1           | \$51.1          |
| Rebates and incentives received   | \$301,000          | \$370,290      | \$359,000 / \$506,312   | \$578,800        | \$658,200       |
| Assistance/help desk calls received/processed                                       | 882                | 657            | 700 / 667               | 800              | 1,000           |
| <b>Efficiency:</b>  |                    |                |                         |                  |                 |
| Cost per line item to maintain consumable inventory accuracy of at least 95 percent | \$4.14             | \$3.96         | \$4.05 / \$4.26         | \$4.27           | \$3.31          |
| Cost per fixed asset to maintain at least 95 percent inventory accuracy             | \$14.77            | \$13.23        | \$7.52 / \$7.39         | \$6.92           | \$6.66          |
| Cost per \$1 of rebate received   | \$0.26             | \$0.20         | \$0.21 / \$0.15         | \$0.13           | \$0.12          |
| Average time to close each help desk call answered (hours) (2)                      | 13.5               | 6.5            | 11.0 / 3.0              | 4.0              | 5.0             |

# Department of Purchasing and Supply Management

| Indicator   | Prior Year Actuals |                |                         | Current Estimate | Future Estimate |
|---|--------------------|----------------|-------------------------|------------------|-----------------|
|   | FY 2001 Actual     | FY 2002 Actual | FY 2003 Estimate/Actual | FY 2004          | FY 2005         |
| <b>Service Quality:</b>   |                    |                |                         |                  |                 |
| Percent of customers rating consumable inventory tracking as satisfactory or better | 86%                | 92%            | 95% / 98%               | 95%              | 95%             |
| Percent of customers satisfied with the procurement card program                    | 100%               | 91%            | 98% / 94%               | 95%              | 95%             |
| Percent of customers rating help desk as satisfactory or better                     | 100%               | 90%            | 98% / 93%               | 95%              | 95%             |
| <b>Outcome:</b>   |                    |                |                         |                  |                 |
| Percent of consumable items accurately tracked                                      | 98%                | 98%            | 98% / 99%               | 96%              | 98%             |
| Percent of fixed assets accurately tracked  | 100%               | 100%           | 98% / 98%               | 96%              | 98%             |
| Percent of rebates achieved relative to plan  | 80%                | 113%           | 95% / 141%              | 95%              | 95%             |
| Percent of orders transmitted via Electronic Commerce                               | NA                 | 70.8%          | 70.9% / 74.4%           | 76.0%            | 80.0%           |
| Percent of help desk calls closed in one day or less                                | 85%                | 87%            | 90% / 94%               | 90%              | 90%             |

(1) Increase in fixed assets in FY 2003 is due to the inclusion of Capital Equipment for the Fairfax County Public Schools.

(2) In FY 2001, DPSM transitioned from a manual call collection system to Quintus, an automated system. The Quintus recording method operates on a 24-hour clock, which includes non-working hours.

## Performance Measurement Results

In FY 2003, the Department of Purchasing and Supply Management was again successful in meeting the objective of maintaining a fixed and consumable inventory tracking accuracy rate of at least 98 percent. The number of fixed assets increased more than expected driving the cost to maintain the high inventory accuracy rate down. In spite of closing three inventories and transitioning six to a different inventory management system, accuracy of the consumable inventories was improved to 99 percent in FY 2003.

In FY 2004, the Department of Purchasing and Supply Management introduced a new outcome measure to better capture and report the Department's success in migrating the paper-based procurement transactions to electronic commerce. The target for FY 2005 is to transmit 80 percent of all procurement transactions through electronic data interchange, Internet orders, and procurement card orders. A better than 10 percent increase in the number of purchase orders transmitted via EDI and the substantial increase in office supply orders placed via the internet resulted in 74.4 percent of orders transmitted via electronic commerce; a impressive number for this new measure in FY 2003.

Rebate revenues generated through the procurement card program and the various contracts awarded under the auspices of the U.S. Communities Government Purchasing Alliance program, including the Office Depot contract, grew to \$506,312 in FY 2003, an increase of 37 percent over FY 2002, and are anticipated to increase to \$658,200 by FY 2005. The increased revenue in this area is the result of expanded use of the p-card for large dollar purchases and increased participation by other local governments taking advantage of the Government Purchasing Alliance contracts awarded and administered by Fairfax County and made available through U.S. Communities.

Help Desk calls decreased slightly in FY 2003 and our increased emphasis on responsiveness drove the average time to respond to calls down to three hours and allowed us to close 94 percent of the calls in less than one day, an improvement over the FY 2002 level of 87 percent.