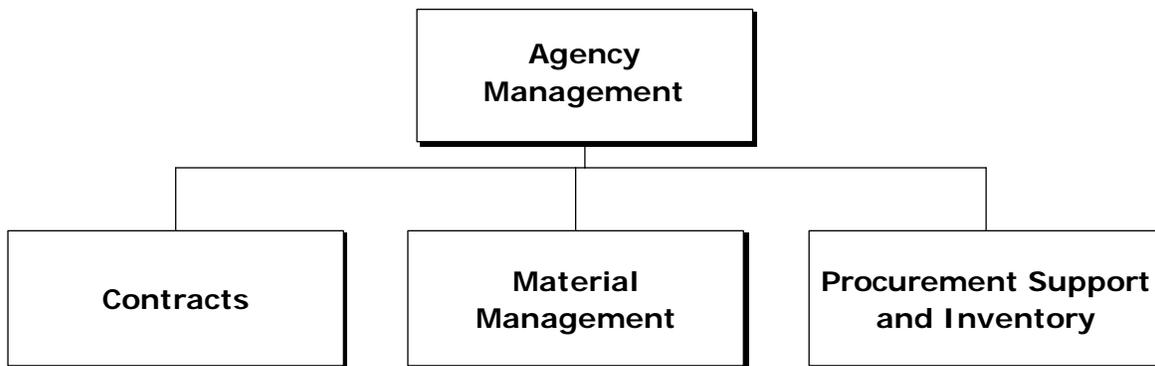


# Department of Purchasing and Supply Management



## Mission

The Department of Purchasing and Supply Management provides the resources that establish a foundation for quality service to the community through a diverse network of suppliers and contractors.

<b>AGENCY DASHBOARD</b>			
Key Data	FY 2010	FY 2011	FY 2012
1. Quantity of formal contractual actions	611	593	501
2. Quantity of active contracts	2,420	2,416	2,332
3. Quantity of books transferred (in millions)	6.1	6.2	7.0
4. Quantity of excess and surplus items (1)	NA	351	1,113
5. Total dollars spent using the p-card (County + Fairfax County Public Schools) (in millions)	\$67.1	\$73.9	\$87.4

(1) Tracking for this data did not commence until FY 2011.

## Focus

The Department of Purchasing and Supply Management (DPSM) creates strategic alliances with County departments and suppliers to secure quality goods and services in a timely manner at a reasonable cost, while ensuring that all procurement actions are conducted fairly, impartially, and in accordance with legal requirements. The department's three operating cost centers - Contracts, Procurement Support and Inventory, and Material Management - work together with Agency Management to provide first-class procurement and material management support to County departments, enabling those departments to deliver nationally recognized County programs.

Contractors are an essential part of the delivery of goods and services that support County programs. Contract development, negotiation, award, and administration are the predominant focus of the department's workforce. As part of an efficiency initiative, the Contracts Division has been successful in reducing the number of contracts managed and administered by consolidating requirements and developing strategic supply chain relationships. The focus on small, women-owned and minority business participation continues and the department has maintained its outreach and education program to sustain supplier diversity.

## Department of Purchasing and Supply Management

The Department of Purchasing and Supply Management provides all stages of acquisition lifecycle support. Through the work of the Procurement Support and Inventory Division, the department provides internal customers with consumable and non-consumable inventory management support. The percent of consumable inventories and fixed assets accurately tracked has reached 98 percent or better for the past decade. The revenue generated through contract rebates and incentives grew to over \$2.2 million in FY 2012, a nearly seven percent increase over FY 2011.

The core mission of the Material Management Division is to provide material management and logistical support to County agencies. Collection and re-distribution of library books remains a major effort. DPSM collaborates with Fairfax County Public Schools to engage in shared services, where appropriate. Efforts to enhance collaboration and achieve further efficiencies are ongoing. In FY 2012, the Material Management Division experienced

continued growth of web-based auction services for redistribution and sale of County and Fairfax County Public Schools (FCPS) excess and surplus property. The cost center also continues its strategic role in emergency planning and response.

DPSM continues to manage position vacancies to achieve budget reductions. Staff reductions have increased the number of contracts assigned to contract specialists, a metric that affects the quality and timeliness of contract actions performed.

### The Department of Purchasing and Supply Management supports the following County Vision Elements:



***Maintaining Safe and Caring Communities***



***Creating a Culture of Engagement***



***Practicing Environmental Stewardship***



***Maintaining Healthy Economies***



***Exercising Corporate Stewardship***

# Department of Purchasing and Supply Management

## Budget and Staff Resources

Category	FY 2012 Actual	FY 2013 Adopted	FY 2013 Revised	FY 2014 Advertised	FY 2014 Adopted
<b>FUNDING</b>					
Expenditures:					
Personnel Services	\$3,164,102	\$3,578,959	\$3,578,959	\$3,075,875	\$3,075,875
Operating Expenses	2,101,997	1,771,691	1,828,602	1,624,640	1,624,640
Capital Equipment	0	0	0	0	0
<b>Subtotal</b>	<b>\$5,266,099</b>	<b>\$5,350,650</b>	<b>\$5,407,561</b>	<b>\$4,700,515</b>	<b>\$4,700,515</b>
Less:					
Recovered Costs	(\$288,803)	(\$288,803)	(\$288,803)	(\$288,803)	(\$288,803)
<b>Total Expenditures</b>	<b>\$4,977,296</b>	<b>\$5,061,847</b>	<b>\$5,118,758</b>	<b>\$4,411,712</b>	<b>\$4,411,712</b>
Income:					
Contract Rebates	\$1,125,635	\$1,044,260	\$1,125,635	\$1,189,635	\$1,189,635
<b>Total Income</b>	<b>\$1,125,635</b>	<b>\$1,044,260</b>	<b>\$1,125,635</b>	<b>\$1,189,635</b>	<b>\$1,189,635</b>
<b>NET COST TO THE COUNTY</b>	<b>\$3,851,661</b>	<b>\$4,017,587</b>	<b>\$3,993,123</b>	<b>\$3,222,077</b>	<b>\$3,222,077</b>
<b>AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)</b>					
Regular	55 / 55	55 / 55	55 / 55	47 / 47	47 / 47

## FY 2014 Funding Adjustments

The following funding adjustments from the FY 2013 Adopted Budget Plan are necessary to support the FY 2014 program. Included are all adjustments recommended by the County Executive that were approved by the Board of Supervisors, as well as any additional Board of Supervisors' actions, as approved in the adoption of the budget on April 30, 2013.

- ◆ **Employee Compensation** **\$43,376**  
 An increase of \$43,376 in Personnel Services reflects the full year impact of the FY 2013 2.5 percent performance-based scale and salary increase, effective January 2013, for non-uniformed employees. It should be noted that no funding is included for additional employee compensation for this department in FY 2014.
- ◆ **Transfer of FOCUS Business Support Group** **(\$430,301)**  
 A decrease of \$430,301 is associated with the transfer of 6/6.0 FTE positions currently deployed to the FOCUS Business Support Group to the Department of Management and Budget. This transfer, as well as similar adjustments in the Department of Human Resources and Department of Finance, will centralize functional support for the County's FOCUS system in the Department of Management and Budget.
- ◆ **Mainframe Services Requirements** **(\$144,051)**  
 A reduction of \$144,051 has been included to account for a reduction in Mainframe Services related costs. This reduction will have a \$0 net impact on the agency as billings from Fund 60030, Technology Infrastructure Services, will be reduced by a corresponding amount.

## Department of Purchasing and Supply Management

◆ **Reductions** (\$119,159)

A decrease of \$119,159 and 2/2.0 FTE positions reflects the following reductions utilized to balance the FY 2014 budget:

Title	Impact	Posn	FTE	Reduction
Eliminate 1/1.0 FTE to-be-vacated Contract Specialist II Position	The reduction eliminates a soon to-be-vacated Contract Specialist II position, one of seven Contract Specialist II positions in the Contracts Division. Any short-term increase in the amount of time required to award a contract is expected to be mitigated by a strategic initiative to increase the formal solicitation threshold, resulting in fewer solicitations and contracts. This reduction is possible as a result of efficiencies generated from the implementation of FOCUS.	1	1.00	\$70,962
Eliminate 1/1.0 FTE Vacant Material Mgmt. Driver Position and Manage Vacancies	The reduction eliminates a vacant Material Management Driver position for a savings of \$44,560. This is one of nine Material Management Driver positions in the Material Management Division. This reduction will have a minimal impact on agency operations as the number of pickup and delivery dates associated with the excess and surplus property program has been reduced. The agency will manage vacancies to achieve an additional savings of \$3,637.	1	1.00	\$48,197
Increase Rebate Revenue	The agency will generate additional revenue of \$64,000 as a result of leading the national cooperative contract for multi-functional digital devices and establishing a special use p-card to pay for the Department of Information Technology's Verizon bills. This revenue enhancement will have a minimal impact on agency operations as increases in workload will be absorbed by existing staff. It is important to note that this revenue has been included in the FY 2014 Contract Rebates revenue estimate.	0	0.00	\$0

### Changes to FY 2013 Adopted Budget Plan

*The following funding adjustments reflect all approved changes in the FY 2013 Revised Budget Plan since passage of the FY 2013 Adopted Budget Plan. Included are all adjustments made as part of the FY 2012 Carryover Review, FY 2013 Third Quarter Review, and all other approved changes through April 23, 2013.*

◆ **Carryover Adjustments** \$56,911

As part of the FY 2012 Carryover Review, the Board of Supervisors approved encumbered funding of \$56,911 in Operating Expenses primarily associated with computer consulting and warehouse support.

# Department of Purchasing and Supply Management

## Cost Centers

The Department of Purchasing and Supply Management is divided into four cost centers: Agency Management, Contracts, Material Management and Procurement Support and Inventory. Working together, all four cost centers provide critical services in support of the agency's mission.

### Agency Management

The Agency Management Cost Center provides financial, human resources and management support to the Department of Purchasing and Supply Management. This cost center ensures that County and Fairfax County Public Schools procurement functions are performed in accordance with the Code of Virginia and the Fairfax County Purchasing Resolution.

Category	FY 2012 Actual	FY 2013 Adopted	FY 2013 Revised	FY 2014 Advertised	FY 2014 Adopted
<b>EXPENDITURES</b>					
Total Expenditures	\$654,312	\$577,707	\$627,678	\$584,293	\$584,293
<b>AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)</b>					
Regular	5 / 5	5 / 5	7 / 7	7 / 7	7 / 7
1 Director	1	1 Management Analyst III	1	1 Administrative Assistant IV	
1 Deputy Director	1	1 Management Analyst II	2	2 Administrative Assistants III	
<b>TOTAL POSITIONS</b>					
7 Positions / 7.0 FTE					

### Contracts

The Contracts Cost Center is comprised of three teams of contract specialists assigned to directly support the procurement needs of the County government. This cost center issues formal solicitations, manages the selection process, conducts negotiations and awards the resultant contracts. After contracts have been awarded, the staff administers the contracts and ensures contractor compliance in partnership with the customer.

Category	FY 2012 Actual	FY 2013 Adopted	FY 2013 Revised	FY 2014 Advertised	FY 2014 Adopted
<b>EXPENDITURES</b>					
Total Expenditures	\$1,349,479	\$1,421,125	\$1,421,125	\$1,366,742	\$1,366,742
<b>AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)</b>					
Regular	23 / 23	23 / 23	20 / 20	19 / 19	19 / 19
1 Contracts Division Manager	6	6 Contract Specialists II (-1)		4 Assistant Contract Specialists	
3 Contract Specialist Supervisors	4	4 Contract Specialists I		1 Management Analyst I	
<b>TOTAL POSITIONS</b>					
19 Positions (-1) / 19.0 FTE (-1.0) <span style="float: right;">(-) Denotes Abolished Position due to Budget Reductions</span>					

# Department of Purchasing and Supply Management

## Material Management

The Material Management Cost Center provides material management and logistical support to County agencies. The cost center serves as the central warehouse for storage, receiving, and distribution of County property. Redistribution of excess property and sale of surplus property is also performed by the Material Management Cost Center.

Category	FY 2012 Actual	FY 2013 Adopted	FY 2013 Revised	FY 2014 Advertised	FY 2014 Adopted
<b>EXPENDITURES</b>					
Total Expenditures	\$389,432	\$595,253	\$602,193	\$555,015	\$555,015
<b>AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)</b>					
Regular	13 / 13	13 / 13	13 / 13	12 / 12	12 / 12
1 Property Operations Manager		2 Material Mgmt. Specialists III			
1 Material Management Supervisor		8 Material Management Drivers (-1)			
<b>TOTAL POSITIONS</b>					
12 Positions (-1) / 12.0 FTE (-1.0)			(-) Denotes Abolished Position due to Budget Reductions		

## Procurement Support and Inventory

The Procurement Support and Inventory Cost Center provides system liaison and program management support for all County and vendor users of the corporate logistics system. The cost center provides oversight and support for e-procurement programs and systems. In addition, the cost center provides management, policy development, and audits of the County's inventories.

Category	FY 2012 Actual	FY 2013 Adopted	FY 2013 Revised	FY 2014 Advertised	FY 2014 Adopted
<b>EXPENDITURES</b>					
Total Expenditures	\$2,584,073	\$2,467,762	\$2,467,762	\$1,905,662	\$1,905,662
<b>AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)</b>					
Regular	14 / 14	14 / 14	15 / 15	9 / 9	9 / 9
1 Management Analyst IV		3 Management Analysts I (-1T)		1 Business Analyst II (-1T)	
1 Management Analyst III (-1T)		1 Network Telecommunications Analyst II		0 Business Analysts I (-2T)	
2 Management Analysts II		0 Business Analysts IV (-1T)			
<b>TOTAL POSITIONS</b>					
9 Positions (-6T) / 9.0 FTE (-6.0T)			(T) Denotes Transferred Position		

# Department of Purchasing and Supply Management

## Key Performance Measures

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate/Actual	FY 2013	FY 2014
<b>Agency Management</b>					
Percent of formal contractual actions awarded without valid protest	99.8%	99.3%	99.7% / 100.0%	99.7%	99.7%
Percent change in cost to procure \$100 of goods or services <sup>1</sup>	0.0%	(23.5%)	53.9% / NA	0.0%	0.0%
Percent of procurement dollars awarded to small and minority businesses <sup>1</sup>	48.8%	48.5%	48.0% / NA	48.0%	48.0%
Reduction in carbon emissions, from the purchase of environmentally preferable paper compared to the purchase of virgin paper (in pounds)	NA	243,055	250,000 / 199,000	225,000	225,000
Net surplus sales revenue	\$897,325	\$3,171,371	\$1,900,000 / \$1,799,710	\$1,900,000	\$1,900,000
Cost of disposal of surplus property as trash (collection and landfill charges)	NA	NA	\$5,000 / \$1,119	\$2,000	\$2,000
<b>Contracts</b>					
Processing time in days for a RFP	172.0	200.0	170.0 / 217.0	210.0	200.0
Processing time in days for an IFB	103.0	97.0	95.0 / 111.0	103.0	100.0
Percentage of contracts awarded through a competitive procurement action <sup>1</sup>	81.0%	80.0%	82.0% / NA	79.0%	79.0%
<b>Material Management</b>					
Percent of pick-up and redistribution requests processed within 5 days of receipt of request	87%	97%	94% / 94%	95%	95%
Percentage of annual library circulation transferred by DPSM	41%	44%	47% / 53%	53%	53%
Percent of peak capacity used	NA	NA	NA / NA	88%	90%
<b>Procurement Support and Inventory</b>					
Percent of consumable items accurately tracked	100%	100%	95% / 100%	98%	98%
Percent of fixed assets accurately tracked	98%	99%	96% / 98%	NA	98%
Percent of rebates achieved relative to plan	103.5%	105.1%	100.0% / 112.3%	100.0%	100.0%

(1) FY 2012 actuals for these indicators were not available in time for publication of the FY 2014 Adopted Budget Plan; however, it is anticipated that they will be available for publication in the FY 2015 Advertised Budget Plan.

A complete list of performance measures can be viewed at [www.fairfaxcounty.gov/dmb/fy2014/adopted/pm/12.pdf](http://www.fairfaxcounty.gov/dmb/fy2014/adopted/pm/12.pdf)

# Department of Purchasing and Supply Management

## Performance Measurement Results

In FY 2012, the Department of Purchasing and Supply Management successfully awarded a total of 501 contracts without a valid protest. This is a reflection of the commitment to a fair and open process and integrity in which the procurement process is conducted.

The number of contracts awarded decreased by 16 percent, consistent with the goal to consolidate requirements, eliminate low use contracts and maximize use of cooperative contracts. All contracts were awarded without a single valid protest.

The Material Management Cost Center continued its exceptional support for the Fairfax County Public Library system, transferring more than 7 million library books or 53 percent of the annual library circulation. The cost center exceeded all goals for satisfying material redistribution requests. Redistribution of material is an important cost-saving function for the County as it allows for re-use of property. It is important to note that actuals are not available for the "Percent of peak capacity used" indicator as the agency did not begin to measure this Outcome until FY 2013.

The percent of both consumable and fixed asset inventory items accurately tracked by the Procurement Support and Inventory Cost Center remained at an exceptionally high 100 percent and 98 percent respectively. It is important to note that there will be no audit of fixed assets in FY 13; as a result, the FY 2013 Future Estimate for "Percent of fixed assets accurately tracked" has been reflected as NA.