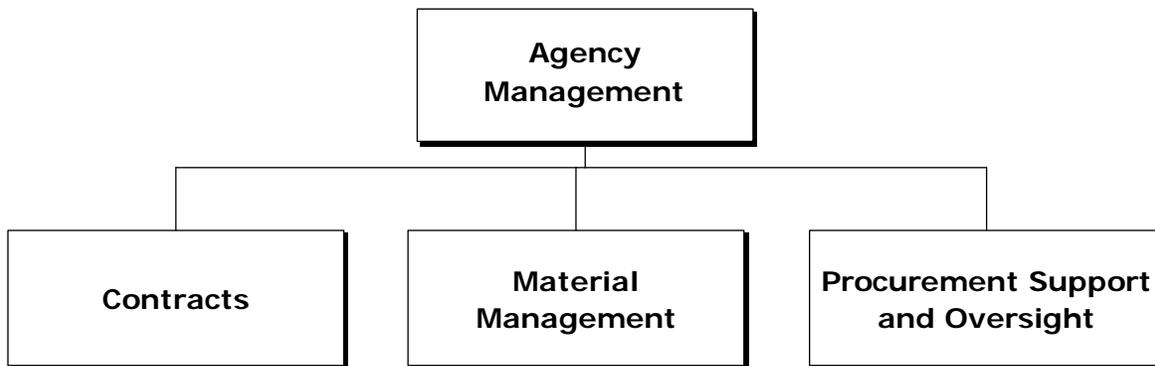


Department of Purchasing and Supply Management



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.

AGENCY DASHBOARD			
Key Data	FY 2011	FY 2012	FY 2013
1. Quantity of formal contractual actions	593	501	543
2. Quantity of active contracts	2,416	2,332	2,280
3. Quantity of books transferred (in millions)	6.2	7.0	6.4
4. Quantity of excess and surplus items	351	1,113	2,629
5. Total dollars spent using the p-card (County + Fairfax County Public Schools) (in millions)	\$73.9	\$87.4	\$103.2

Focus

The Department of Purchasing and Supply Management (DPSM) creates strategic partnerships 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 Oversight, 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 is continuing its success 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.

DPSM provides all stages of procurement lifecycle support. Through the work of the Procurement Support and Oversight Division, the department provides internal customers with fixed asset and

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consumable inventory management support. The revenue generated through contract rebates and incentives grew to over \$2.4 million in FY 2013, a nearly 10 percent increase over FY 2012.

The core mission of the Material Management Division is to provide material management and logistical support to County agencies. Redistribution of library books is a major effort and the Division is adapting to revisions in the library's collection strategy. DPSM collaborates with Fairfax County Public Schools (FCPS) to engage in shared services, where appropriate. In FY 2013, the Material Management Division supported further expansion of web-based auction services for redistribution and sale of County and FCPS excess and surplus property. The three year average for surplus sales revenue has grown to more than \$2.7 million. The cost center also continues its strategic role in emergency planning and response.

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**

Budget and Staff Resources

Category	FY 2013 Actual	FY 2014 Adopted	FY 2014 Revised	FY 2015 Advertised
FUNDING				
Expenditures:				
Personnel Services	\$3,332,175	\$3,075,875	\$3,115,825	\$3,323,865
Operating Expenses	1,733,941	1,624,640	1,861,903	1,627,140
Capital Equipment	24,015	0	0	0
Subtotal	\$5,090,131	\$4,700,515	\$4,977,728	\$4,951,005
Less:				
Recovered Costs	(\$288,803)	(\$288,803)	(\$288,803)	(\$288,803)
Total Expenditures	\$4,801,328	\$4,411,712	\$4,688,925	\$4,662,202
Income:				
Contract Rebates	\$1,174,053	\$1,189,635	\$1,189,635	\$1,482,079
Total Income	\$1,174,053	\$1,189,635	\$1,189,635	\$1,482,079
NET COST TO THE COUNTY	\$3,627,275	\$3,222,077	\$3,499,290	\$3,180,123
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)				
Regular	55 / 55	47 / 47	47 / 47	50 / 50

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FY 2015 Funding Adjustments

The following funding adjustments from the FY 2014 Adopted Budget Plan are necessary to support the FY 2015 program.

- ◆ **Employee Compensation** **\$42,333**
An increase of \$42,333 in Personnel Services reflects funding for a 1.29 percent market rate adjustment for all employees in FY 2015, effective July 2014.

- ◆ **Contract Rebates and Surplus and Excess Property Program Positions** **\$205,657**
An increase of \$205,657 in Personnel Services and 3/3.0 FTE positions are required to support additional workload requirements associated with contract rebates and the Surplus and Excess Property Program. It is important to note that in addition to addressing workload requirements, these positions are anticipated to result in additional revenue which will fully offset their cost. The agency has experienced a significant growth in contract rebate workload primarily associated with the County's participation in cooperative purchasing programs and acting as the lead jurisdiction for four national contracts sponsored by the U.S. Communities Purchasing Alliance. Revenue generated as a result of the County's participation in cooperative purchasing programs increased by 9.9 percent from FY 2011 to FY 2013 and is anticipated to increase by approximately 26 percent from FY 2013 to FY 2015. The Surplus and Excess Property Program, which allows County agencies to sell used items to the public, has experienced significant growth in the number of web-based auctions. Between FY 2012 and FY 2013, the number of online auctions increased from 449 to 1,158 and in FY 2014 the number of online auctions is projected to increase to over 4,500. These sales are anticipated to result in revenue of nearly \$2.0 million in both FY 2014 and FY 2015. It should be noted that an increase of \$86,787 in Fringe Benefits funding is also included in Agency 89, Employee Benefits. For further information on Fringe Benefits, please refer to the Agency 89, Employee Benefits narrative in the Nondepartmental program area section in Volume 1.

- ◆ **PC Replacement** **\$2,500**
An increase of \$2,500 is included for PC replacement charges to reflect both updated inventory counts and revised costs, primarily associated with licenses and software requirements, following the review of the PC Replacement Program conducted in FY 2014.

Changes to FY 2014 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2014 Revised Budget Plan since passage of the FY 2014 Adopted Budget Plan. Included are all adjustments made as part of the FY 2013 Carryover Review, and all other approved changes through December 31, 2013:

- ◆ **Carryover Adjustments** **\$277,213**
As part of the FY 2013 Carryover Review, the Board of Supervisors approved funding of \$277,213, including \$39,950 in Personnel Services for a one-time compensation adjustment of \$850 for merit employees paid in November 2013, and \$237,263 in encumbered funding in Operating Expenses primarily associated with consulting services, advertising and postage.

Cost Centers

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

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Agency Management

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

Category	FY 2013 Actual	FY 2014 Adopted	FY 2014 Revised	FY 2015 Advertised
EXPENDITURES				
Total Expenditures	\$499,669	\$584,293	\$781,643	\$591,259
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)				
Regular	7 / 7	7 / 7	7 / 7	7 / 7
1 Director		1 Management Analyst III	1 Administrative Assistant IV	
1 Deputy Director		1 Management Analyst II	2 Administrative Assistants III	
TOTAL POSITIONS				
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. Staff administers the contracts and ensures contractor compliance in partnership with the customer.

Category	FY 2013 Actual	FY 2014 Adopted	FY 2014 Revised	FY 2015 Advertised
EXPENDITURES				
Total Expenditures	\$1,376,876	\$1,366,742	\$1,402,892	\$1,530,797
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)				
Regular	20 / 20	19 / 19	19 / 19	21 / 21
1 Contracts Division Manager		8 Contract Specialists II (2)	4 Assistant Contract Specialists	
3 Contract Specialist Supervisors		4 Contract Specialists I	1 Management Analyst I	
TOTAL POSITIONS				
21 Positions (2) / 21.0 FTE (2.0)				
() Denotes New Positions				

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.

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Category	FY 2013 Actual	FY 2014 Adopted	FY 2014 Revised	FY 2015 Advertised
EXPENDITURES				
Total Expenditures	\$487,597	\$555,015	\$571,078	\$624,535
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)				
Regular	13 / 13	12 / 12	12 / 12	13 / 13
1 Property Operations Manager	2 Material Mgmt. Specialists III	1 Inventory Manager (1)		
1 Material Management Supervisor	8 Material Management Drivers			
TOTAL POSITIONS 13 Positions (1) / 13.0 FTE (1.0) () Denotes New Position				

Procurement Support and Oversight

The Procurement Support and Oversight 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 including office supplies and procurement cards. In addition, the cost center provides management, policy development, and audits of the County's fixed asset and consumable inventories.

Category	FY 2013 Actual	FY 2014 Adopted	FY 2014 Revised	FY 2015 Advertised
EXPENDITURES				
Total Expenditures	\$2,437,186	\$1,905,662	\$1,933,312	\$1,915,611
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)				
Regular	15 / 15	9 / 9	9 / 9	9 / 9
1 Management Analyst IV	3 Management Analysts II	1 Business Analyst II		
1 Management Analyst III	2 Management Analysts I	1 Network Telecommunications Analyst II		
TOTAL POSITIONS 9 Positions / 9.0 FTE				

Key Performance Measures

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate/Actual	FY 2014	FY 2015
Agency Management					
Percent of formal contractual actions awarded without valid protest	99.3%	100.0%	99.7%/100.0%	100.0%	100.0%
Percent of procurement dollars awarded to small and minority businesses ^{1,2}	48.5%	NA	48.0% / 30.0%	30.0%	30.0%
Net surplus sales revenue – includes: online auction sales, consignment equipment and vehicle sales, direct sales and recycling proceeds	\$3,171,371	\$1,799,710	\$1,900,000/\$3,144,855	\$1,950,000	\$1,950,000

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Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate/Actual	FY 2014	FY 2015
Contracts					
Processing time in days for a Request for Proposal (RFP)	200.0	217.0	210.0/256.0	224.0	224.0
Processing time in days for an Invitation for Bid (IFB)	97.0	111.0	103.0/118.0	109.0	109.0
Percentage of contracts awarded through a competitive procurement action ²	80.0%	NA	79.0%/93.0%	95.0%	95.0%
Material Management					
Cost per mile	NA	NA	NA	NA	\$0.38
Percentage of annual library circulation transferred by DPSM	44%	53%	53%/38%	38%	38%
Percent of peak capacity used	NA	NA	88%/85%	90%	90%
Procurement Support and Oversight					
Percent of consumable items accurately tracked	100%	100%	98%/100%	98%	98%
Percent of fixed assets accurately tracked ³	99%	98%	NA/NA	98%	98%
Percent of rebates achieved relative to plan	105.1%	112.3%	100.0%/105.3%	100.0%	100.0%
Number of education and outreach activities (internal and external stakeholders). Includes publications, presentations and trainings	NA	NA	NA	NA	25
Percent of customers indicating they considered green attributes in any purchasing decision	NA	NA	NA	NA	65%
Total number of active contracts for goods and services with demonstrated environmental benefits	NA	NA	NA	NA	45
Fiscal impact related to green procurement (savings less additional expenses)	NA	NA	NA	NA	\$90,000

(1) The FY 2013 actual for this indicator varies from prior years based on a revised methodology for calculating the results.

(2) Performance measures for these indicators were not available in FY 2012 due to process changes within the agency.

(3) Inventory audits were not rated in FY 2013.

A complete list of performance measures can be viewed at www.fairfaxcounty.gov/dmb/fy2015/advertised/pm/12.pdf

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Performance Measurement Results

In FY 2013, DPSM successfully awarded a total of 543 contracts without a valid protest. This is a reflection of the commitment to a fair and open process in which the procurement process is conducted. The number of active contracts was 2,280, a decrease of 52 from FY 2012, which is consistent with the goal to consolidate requirements, eliminate low use contracts, and maximize use of cooperative contracts.

The Material Management Cost Center continued its support for the Fairfax County Public Library (FCPL) system, transferring more than 6.4 million library books, or 38 percent of the annual library circulation. The volume of library books transferred is decreasing due to program efficiencies instituted by FCPL. The cost center exceeded nearly all of its goals in FY 2013 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. The warehouse is a strategic resource for the County. DPSM continues to work with departments to achieve storage goals identified in the "Percent of peak capacity used" indicator.

The percentage of consumable inventory items accurately tracked by the Procurement Support and Oversight Cost Center remained at an exceptionally high 100 percent. Tracking accuracy via scored fixed asset audits resumed in FY 2014, with the intent to ensure all fixed asset records accurately migrated into the FOCUS system.