

Department of Purchasing and Supply Management

12-01-Central Purchasing and Contracting for County and Schools

Fund/Agency: 001/12	Department of Purchasing and Supply Management	
Personnel Services	\$1,328,996	<p>CAPS Percentage of Agency Total</p> <p>44.9% 55.1%</p> <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 10px auto;"> <p>■ Central Purchasing and Contracting for County and Schools</p> <p>■ All Other Agency CAPS</p> </div>
Operating Expenses	\$751,220	
Recovered Costs	\$0	
Capital Equipment	\$0	
Total CAPS Cost:	\$2,080,216	
Federal Revenue	\$0	
State Revenue	\$0	
User Fee Revenue	\$0	
Other Revenue	\$0	
Total Revenue:	\$0	
Net CAPS Cost:	\$2,080,216	
Positions/SYE involved in the delivery of this CAPS	26/26.5	

► CAPS Summary

Central Purchasing and Contracting provides purchasing and contract management support for the acquisition of goods and services for Fairfax County agencies, Fairfax County Public Schools (FCPS), and other assigned Boards and Authorities. This service is provided through the competitive process as mandated by the Virginia Public Procurement Act and Fairfax County Purchasing Resolution. Central Purchasing and Contracting also provides systems management and administration for all County and FCPS users of the mainframe-based *County and Schools Procurement System* (CASPS); as well as provides management and technical oversight of the Department's Local Area Network (LAN), Web site, Procurement Card Program, and electronic commerce initiatives.

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To meet the procurement and contracting needs of its customer base, Central Purchasing and Contracting has focused on two business practices. First, Central Purchasing and Contracting has implemented a balanced approach to procurement support whereby large dollar, complex procurements are centrally performed by a highly trained and professionally certified staff, while small dollar, less complex purchases are delegated to using agencies whose performance is monitored through an oversight process. In FY 2001, 90 percent of the procurement requests representing 12 percent of the total procurement dollar volume were processed by the delegated agencies. Central Purchasing and Contracting processed 10 percent of the total requests representing 88 percent of all dollars spent. Second, Central Purchasing and Contracting enhanced the ability and capacity to provide procurement support by implementing a highly successful Procurement Card Program, participating in regional and national cooperative contracts (including computers, furniture, and office supplies), and utilizing available electronic commerce initiatives (including distributed online ordering of office supplies).

Funding for the Central Purchasing and Contracting program is provided entirely through the General Fund. The Department of Purchasing and Supply Management does receive offsetting expenditure revenues from rebates generated through the National Association of Counties Government Purchasing Alliance (GPA) cooperative purchasing program. In FY 2001, these revenues constituted a \$158,500 reduction in the net cost to the County for the Central Purchasing and Contracting program.

Other significant characteristics of this activity include:

Central Purchasing and Contracting Support

- **Professional Staffing Certification** - 76 percent of procurement staff have attained professional certification compared to the national average of 17 percent.
- **Procurement Volume** - 89 percent increase in procurement volume since FY 1991 while buying staff has been reduced by 25 percent.
- **National Contracts** - Serves as advisory board member and lead jurisdiction on a number of national contracts for the Government Purchasing Alliance (GPA) sponsored by the National Institute of Governmental Purchasing, National Association of Counties, and U.S. Conference of Mayors.
- **Regional Cooperative Purchasing** - Actively participates in the Metropolitan Council of Governments Chief Procurement Officers committee and lead jurisdiction on a number of cooperative contracts for the 42 participating jurisdictions.
- **Purchasing Card Program** - Manages a purchasing card (P-card) program that processes thousands of procurement transactions each year and accounts for over \$26 million of the total procurement volume. The cost of making a purchase with the P-card is \$10.60 versus the \$20.64 it costs to make the same purchase with a small purchase order, thus saving the County \$10.04 per transaction. Over 2,000 cards have been issued to 350 operational elements throughout the County and the Public School system. Thousands of procurement transactions are completed each year using the P-card and users express a very high level of satisfaction with the program (100 percent in FY 2001). A recent review of this program by Internal Audit found that overall, internal controls are adequate and that DPSM is conscientiously administering the program.

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Professional Recognition

- Received the "Outstanding Agency Accreditation Achievement Award" from the National Institute of Governmental Purchasing in FY 2000. This award was presented to the Department of Purchasing and Supply Management as one of the "leaders" in public procurement.
- Received the "Achievement of Excellence in Procurement Award" from the National Purchasing Institute in 1999. This award is achieved by public and private organizations that have demonstrated excellence in procurement based on a rating of standardized criteria that included innovation, professionalism, productivity, and leadership.

Contract Administration

- Establishing and administering over 2,000 contracts annually. Contract pricing, terms, and conditions are solicited, negotiated, and awarded by a staff of 15. Administration activities include: monitoring and correcting, when necessary, contractor performance; processing changes to contract items, terms, and conditions; and providing liaison between contractor and program personnel.

Systems Support

- **User Assistance** - Provides functional and systems support and training to over 820 users of the County and Schools Procurement System (CASPS).
- **Management Information** - Provides management information to staff, policymakers, and citizens on past, current, and future procurement activities.
- **Financial Controls** - Maintains data integrity as well as systems security and controls over CASPS.
- **Electronic Commerce**
 - Manages a number of information technology initiatives to include 1) the County's Electronic Data Interchange (EDI) program. EDI provides the capability to issue purchase orders and other business documents electronically to either the vendor's computer or fax machine. 2) Electronic "notification" to registered vendors of upcoming procurement bid solicitations. The "Notice of Solicitation" is sent to vendors via e-mail which has significantly reduced the cost and time, others received printed notices through the mail.
 - Manages the Internet ordering of office supplies through the national office supplies contract. This program with Office Depot steers 48 percent (\$3.7million) of the orders placed to online ordering.
 - Manages the pilot Metropolitan Washington Council of Governments (COG) e-commerce program, COGBuy. Working with the provider to develop an online ordering system for regional cooperative purchasing.
- **Citizen/Vendor Assistance and Information** - Provides procurement information and assistance useful to citizens and the business community such as current solicitations, the listing of County contracts, contract awards, bid tabulations, and vendor registration procedures.

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Contract Support

Central Purchasing and Contracting issues approximately 305 solicitations annually and receives over 1,800 bids and proposals in response to these solicitations. These documents are date and time sensitive and are handled with an accuracy rate of 99 percent, with no material errors. Central Purchasing and Contracting also maintains official contract files and distributes all associated documents throughout the County and to the business community on a daily basis.

► **Method of Service Provision**

Purchasing and Materials Management Branch functions are performed by County staff supplemented by temporary and/or college interns. Hours of operation are Monday – Friday, 8:00 a.m. – 4:30 p.m. During the year, work hours may vary due to certain systems installation and/or maintenance activities which may require work to be performed during non-business hours in order to prevent disruption to County operations.

► **Performance/Workload Related Data**

Title	FY 1998 Actual	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimate ¹	FY 2002 Estimate
Procurement Dollar Volume (million)	\$326M	\$329M	\$381M	\$389M	\$388M
Percent of Customers Indicating Overall Satisfaction	96%	93%	97%	93%	95%
Cost per \$100 of Goods or Services Procured	\$0.48	\$0.48	\$0.47	\$0.47	\$0.50
Percentage of Requisitions Completed Against a Contract Within 10 Days	N/A	85.7%	87.1%	90.7%	92%
Number of Annual Contracts Managed	1700	1680	1670	2298	2400
Number of Purchase Orders Sent via EDI	N/A	506	3,765	3,226	5,000
Percentage of Office Supplies Ordered Online	N/A	N/A	35%	48%	50%
Rebate Dollars Generated by Office Depot Contract	N/A	N/A	\$147.7K	\$129.5K	\$134.0K
Dollar Volume of P-Card Purchases	\$6.03M	\$10.38M	\$23.55M	\$26.73	\$30M
Rebate Dollars Generated by P-Card Program	N/A	N/A	\$123K	\$161.4K	\$180K
Percent of Customers Indicating Satisfaction with P-Card Program	98%	97%	98%	100%	98%
Percent of Customers Indicating Satisfaction with Actions Taken to Ensure Vendor Compliance	84%	76%	86%	100%	98%
Number of Solicitations Processed Annually	540	288	266	351	375

¹FY 2001 data are actual.

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► **Mandate Information**

This CAPS is Federally or State mandated. The percentage of this CAPS' resources utilized to satisfy the mandate is 51 - 75%. The specific Federal or State code and a brief description of the code follows:

- Virginia Public Procurement Act (Code of Virginia Sections 11.35 through 11.80).