

# FY 2008 - 09 Proposed Resource Allocation and Multi-Year Capital Plan

## Procurement Management

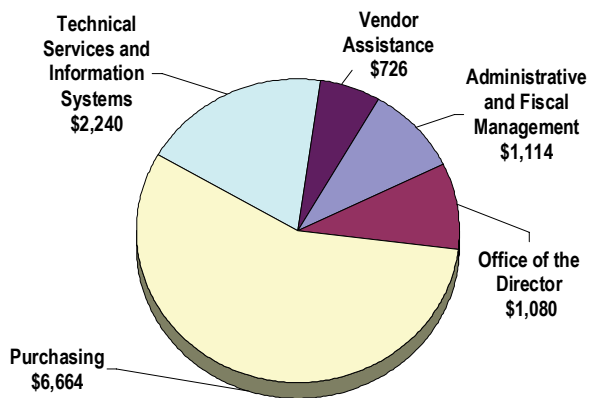
The Department of Procurement Management (DPM) purchases goods and services for more than 60 County departments and offices that serve our community. The Department ensures a fair and transparent process for procurement through full and open competition, use of technology, and sound business practices.

As part of the Enabling Strategies strategic area, DPM provides value added procurement services to all departments and offices within County government. The Department manages the purchase of goods and services for over 1,500 active contracts valued at approximately \$5.1 billion. DPM performs multiple functions while managing the County's procurement activities, maintaining vendor relations and outreach services, providing procurement professional development services to County departments, including finalizing needs assessments and scopes of work with users, advertising solicitations, holding bid openings, reviewing technical responses, conducting market research, making vendor selections, conducting negotiations, and awarding and administering contracts.

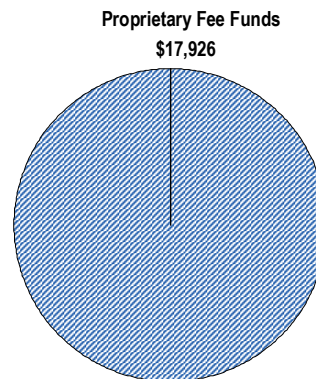
In promoting full and open competition, the Department encourages vendor and business community participation through a procurement website, workshops, and outreach activities.

## FY 2008-09 Proposed Budget

**Expenditures by Activity**  
(dollars in thousands)



**Revenues by Source**  
(dollars in thousands)



# FY 2008 - 09 Proposed Resource Allocation and Multi-Year Capital Plan

## TABLE OF ORGANIZATION

<b><u>OFFICE OF THE DIRECTOR</u></b>			
<ul style="list-style-type: none"> <li>Provides executive direction and management of the daily operations of the Department, establishes departmental policy, develops, and improves countywide procurement policies and procedures and serves as a strategic purchasing partner between departments and vendors; additionally the office promotes full and open competition and conducts high level negotiations in the award of County contracts, implements and promotes information technology (IT) procurement system enhancements, and implements policies enacted by the Board of County Commissioners</li> </ul>			
<u>FY 07-08</u> 7		<u>FY 08-09</u> 6	
<b><u>ADMINISTRATIVE AND FISCAL DIVISION</u></b>		<b><u>PURCHASING DIVISION</u></b>	
<ul style="list-style-type: none"> <li>Prepares division and departmental budgets, quarterly expenditure and revenue reports, and manages the Department's fiscal accounting functions; makes purchases and monitors contracts used by the Department; coordinates strategic management meetings and the development of the Department's Strategic and Business Plans and tracks and monitors performance measures; manages and tracks process improvement initiatives and Department-related recruiting and training, processes payroll, prepares and maintains personnel documentation, and provides guidance on employee performance evaluations and personnel actions; administers the County's User Access Program (UAP); coordinates vendor information between the Department and County departments</li> </ul>		<ul style="list-style-type: none"> <li>Manages the procurement of goods and services purchased through bids and requests for proposals, excluding countywide IT procurements; manages contracts for commodities through Invitations to Bid (ITB); distributes and tracks formal bid contracts; conducts bidder competency reviews and pre-bid conferences, and conducts audits to ensure compliance with established guidelines, resolutions, policies and procedures; develops and processes Requests for Proposals (RFP), Requests for Qualifications (RFQ), and Requests for Information (RFI)</li> </ul>	
<u>FY 07-08</u> 10	<u>FY 08-09</u> 11	<u>FY 07-08</u> 69	<u>FY 08-09</u> 75
<b><u>VENDOR ASSISTANCE</u></b>		<b><u>TECHNICAL SERVICES / INFORMATION SYSTEMS DIVISION</u></b>	
<ul style="list-style-type: none"> <li>Coordinates vendor information between the Department and County departments; reviews vendor applications for compliance with County resolutions and ordinances; advertises bid, RFP and A&amp;E solicitations in newspapers; conducts bid openings; and maintains insurance, bid deposits, and performance bonds on behalf of the Department</li> </ul>		<ul style="list-style-type: none"> <li>Manages the Department's Management Information System (MIS) functions, administers the local area network and maintains the Department's website; develops and implements e-Procurement initiatives, manages the countywide Advanced Purchasing, and Inventory Control System (ADPICS) operations and training manages the procurement of all IT related goods and services, establishes and monitors countywide hardware, software, and sole source acquisitions</li> </ul>	
<u>FY 07-08</u> 9	<u>FY 08-09</u> 9	<u>FY 07-08</u> 19	<u>FY 08-09</u> 15

## FY 2008 - 09 Proposed Resource Allocation and Multi-Year Capital Plan

### FINANCIAL SUMMARY

(dollars in thousands)	Actual FY 06-07	Budget FY 07-08	Proposed FY 08-09
<b>Revenue Summary</b>			
Carryover	4,101	2,468	5,859
Interest Earnings	0	0	80
Miscellaneous Revenues	67	10	6
Surcharge Revenues	10	0	0
User Access Program Fees	11,072	8,000	11,981
Total Revenues	15,250	10,478	17,926
<b>Operating Expenditures Summary</b>			
Salary	6,312	7,141	7,472
Fringe Benefits	1,813	2,141	2,163
Other Operating	767	1,179	2,178
Capital	41	17	11
Total Operating Expenditures	8,933	10,478	11,824
<b>Non-Operating Expenditures Summary</b>			
Reserve	0	0	4,862
Transfers	0	0	1,240
Total Non-Operating Expenditures	0	0	6,102

(dollars in thousands)	Total Funding		Total Positions	
Expenditure By Program	Budget FY 07-08	Proposed FY 08-09	Budget FY 07-08	Proposed FY 08-09
<b>Strategic Area: Enabling Strategies</b>				
Administrative and Fiscal Management	1,281	1,114	10	11
Office of the Director	1,111	1,080	7	6
Purchasing	5,483	6,664	69	75
Technical Services and Information Systems	1,974	2,240	19	15
Vendor Assistance	629	726	9	9
Total Operating Expenditures	10,478	11,824	114	116

### CAPITAL BUDGET SUMMARY

(dollars in thousands)	PRIOR	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FUTURE	TOTAL
<b>Revenue</b>									
Capital Outlay Reserve	200	0	0	0	0	0	0	0	200
Total:	200	0	0	0	0	0	0	0	200
<b>Expenditures</b>									
<b>Strategic Area: Enabling Strategies</b>									
Computer and Systems Automation	24	68	75	33	0	0	0	0	200
Total:	24	68	75	33	0	0	0	0	200

### SELECTED ITEM HIGHLIGHTS AND DETAILS

Line Item Highlights	(dollars in thousands)				
	Actual FY 05-06	Actual FY 06-07	Budget FY 07-08	Projection FY 07-08	Proposed FY 08-09
Travel	21	10	12	12	14
Employee Overtime	9	5	16	16	16
Contract Temporary Employees	82	30	61	49	64
Administrative Reimbursement	0	0	315	315	346
Rent: County-owned	0	0	0	0	596

## FY 2008 - 09 Proposed Resource Allocation and Multi-Year Capital Plan

### **DIVISION: VENDOR ASSISTANCE**

The Vendor Assistance Unit facilitates the procurement process by assisting vendors on how to conduct business with Miami-Dade County.

- Coordinates vendor enrollment and vendor registration process
- Maintains insurance, bid deposits, and performance bonds
- Advertises solicitations for ITBs and RFPs
- Conducts bid openings and quality assurance reviews of procurement processes
- Coordinates vendor information with Department and County Departments
- Vendor and County department outreach and customer services

### **Strategic Plan Outcome - Measures**

- ES2-1: Easily accessible information regarding County services and programs

	<b>Measures</b>	<b>FY 06-07</b>		<b>FY 07-08</b>		<b>FY 08-09</b>
		<b>Target</b>	<b>Actual</b>	<b>Target</b>	<b>Projection</b>	<b>Target</b>
Efficiently manage vendor assistance functions	Solicitations advertised	N/A	438	N/A	450	500
	Vendor workshops	24	28	24	24	24
	Vendor surveys satisfactory or above	N/A	82%	87%	90%	89%

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### **DIVISION: PURCHASING**

The Purchasing Division manages the procurement of goods and services purchased through bids and requests for proposals, excluding countywide IT procurements.

- Manages contracts for commodities through Invitations to Bid (ITB)
- Distributes and tracks formal bid contracts
- Conducts bidder competency reviews and pre-bid conferences, and conducts audits to ensure compliance with established guidelines, resolutions, policies and procedures
- Develops and processes Requests for Proposals (RFP), Requests for Qualification (RFQ), and Requests for Information (RFI)
- Recommends appropriate corrective action where artificial organizational, policy, process, or procedural impediments to competition exist

### **Strategic Plan Outcome - Measures**

- ES3-1: Streamlined and responsive procurement process

	<b>Measures</b>	<b>FY 06-07</b>		<b>FY 07-08</b>		<b>FY 08-09</b>
		<b>Target</b>	<b>Actual</b>	<b>Target</b>	<b>Projection</b>	<b>Target</b>
Reduce processing times for bids and RFPs; promote full and open competition	Active contracts	1,364	1,257	1,313	1,313	1,379
	Contracts awarded	947	1,188	1,167	1,167	1,284
	Average calendar days to process RFPs valued under \$1 million	135	113	135	135	135
	Average calendar days to process RFPs valued over \$1 million	215	172	215	215	236
	Average calendar days to process bids valued under \$1 million	135	105	135	135	135
	Average calendar days to process bids valued over \$1 million	215	253	215	240	236

- ES3-2: Full and open competition

	<b>Measures</b>	<b>FY 06-07</b>		<b>FY 07-08</b>		<b>FY 08-09</b>
		<b>Target</b>	<b>Actual</b>	<b>Target</b>	<b>Projection</b>	<b>Target</b>
Reduce processing times for bids and RFPs; promote full and open competition	Percent of contracts that are bid waiver or sole source	15%	15%	14%	14%	14%

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### **DIVISION: ADMINISTRATIVE AND FISCAL MANAGEMENT**

The Administrative and Fiscal Management Division prepares divisional and departmental budgets, quarterly expenditure and revenue reports, manages the Department's fiscal accounting functions, processes departmental invoices and manages employee related issues.

- Monitors contracts used by the Department
- Develops and monitors performance and quality measures
- Prepares job announcements and conducts recruitment; processes all personnel actions
- Prepares departmental business plan and management of quarterly reports and collects the County's User Access Program, Surcharge, and miscellaneous fees
- Facilitates the procurement process by assisting vendors on how to conduct business with Miami-Dade County
- Maintains insurance, bid deposits, and performance bonds
- Provides guidance to supervisory staff with employee performance evaluations and to supervisory and management staff regarding disciplinary process
- Maintains capital equipment inventory

### **Strategic Plan Outcome - Measures**

- ES5-4: Workforce skills to support County priorities (e.g. leadership, customer service, fiscal problem-solving technology, etc.)

Efficiently manage administrative, budget, and personnel functions	<b>Measures</b>	FY 06-07		FY 07-08		FY 08-09
		Target	Actual	Target	Projection	Target
	Participants attending professional development training	590	931	590	600	600

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### **DIVISION: TECHNICAL SERVICES AND INFORMATION SYSTEMS**

The Technical Services and Information Services Division manages the procurement of all IT related goods and services, establishes and monitors countywide IT hardware, software, telecommunications, and consulting contracts, and manages all IT related bid waiver and sole source acquisitions.

- Manages Management Information Systems functions
- Develops and processes countywide IT procurements
- Administers Local Area Network
- Manages countywide Advanced Purchasing Inventory Control System (ADPICS)
- Develops and implements e-Procurement and vendor performance initiatives
- Edits and maintains the departmental website
- Researches, develops, compiles, and disseminates quarterly, annual, and ad hoc reports

### **Strategic Plan Outcome - Measures**

- ES3-1: Streamlined and responsive procurement process

	Measures	FY 06-07		FY 07-08		FY 08-09
		Target	Actual	Target	Projection	Target
Develop and process countywide IT procurements; manage procurement technology	Average calendar days to process IT related RFPs valued over \$1 million*	N/A	N/A	N/A	N/A	236
	Average calendar days to process IT related RFPs valued under \$1 million*	N/A	N/A	N/A	N/A	135
	IT Contracts awarded	88	140	154	154	162
	Active IT contracts	169	178	187	187	196

\*In FY 2008-09, the Department will begin tracking IT processing times as a stand alone measure

### **Budget Enhancements or Reductions and Additional Comments**

- In FY 2007-08 the Department received for the fourth year in a row the “12th Annual Achievement of Excellence in Procurement Award for 2007” which recognizes organizational excellence in procurement; the program is designed to measure innovation, professionalism, e-procurement, productivity, and leadership attributes in procurement; the award is sponsored by the National Purchasing Institute (NPI), the California Association of Public Purchasing Officers (CAPPO), Florida Association of Public Purchasing Officers (FAPPO), the Institute of Supply Management (ISM), the National Institute of Governmental Purchasing (NIGP), the National Association of State Procurement Officials (NASPO), and the National Association of Educational Procurement (NAEP)
- In June 2008, the Department implemented a simplified vendor registration and bid/proposal process whereby vendors responding to County solicitations for contracts will only have to submit affidavits only once and update their information as necessary; previously, vendors were required to submit lengthy affidavit packages with each bid or proposal
- As part of streamlining the procurement process, departments will be required to complete Procurement Acquisition Plans by listing their planned acquisitions over the next two fiscal years; this process will support efficiencies in countywide purchasing by allowing the Department to plan workloads and allocate resources, while benefiting departments through improved customer care and reduced processing times

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- The Department's FY 2008-09 Proposed Resource Allocation Plan includes funding to support a Service Level Agreement (SLA) with ETSD in the amount of \$150,000; the SLA will be utilized to provide dedicated staff support to the Department's current reporting applications utilized to serve vendors and client departments
- In FY 2007-08, the Department contracted with the National Institute of Governmental Purchasing (NIGP) to conduct three studies; information gained from the studies is expected to improve and enhance current processes: Agenda Process Review – to review the existing agenda process for contract approvals and awards; Purchasing card (P-Card) Roadmap—to identify the appropriate path for implementing P-card Program consistent with best practices; and a Spend Analysis Review to assist the Department in documenting and supporting recommendations that would allow for efficiencies in the procurement process and optimization of staff resources
- The FY 2008-09 Proposed Resource Allocation Plan includes \$11.831 million from the User Access Program (UAP), \$6.009 million in carryover, \$6,000 in miscellaneous revenues, and \$80,000 in interest for the funding of the procurement functions
- The Department's FY 2008-09 Proposed Resource Allocation Plan includes a transfer of \$1.240 million in User Access Fees to the Department of Small Business Development to fund activities that support the procurement functions
- The FY 2008-09 Proposed Resource Allocation Plan includes \$200,000 in carryover funding from Capital Outlay Reserve (COR) for the Electronic Document Management System (EDMS) (\$92,000), this technology will allow the Department to operate more efficiently by making files more accessible and easy to retrieve as well as reducing paper retention and storage space and for the Vendor Performance database (\$108,000)
- The FY 2008-09 Proposed Resource Allocation Plan includes seven in-stationed positions paid for by Miami-Dade Transit (MDT), necessary to meet MDT's procurement demands in the goods and services area; two additional positions were transferred from Miami-Dade Transit to the Department as part of consolidating the procurement process; the Department will now be responsible for handling Transit's general procurement items
- As part of consolidating procurement processes, the FY 2008-09 Proposed Resource Allocation Plan also includes the transfer of general procurement functions from the Miami-Dade Parks and Recreation Department to the Department; as a result of this transfer, the Department will now be responsible for handling general procurement items for the Miami-Dade Parks and Recreation Department
- The FY 2008-09 Proposed Resource Allocation Plan includes the elimination of one Executive Secretary position (\$57,000); and the addition of one Accountant 1 position to improve the monitoring of Small Purchase Orders and Direct Purchases to ensure compliance with County policies and expand the User Access Program revenue opportunities (\$44,000)
- In FY 2006-07, the Department's Professional Procurement Certification initiative was approved by the Human Resources Department, allowing for a Procurement Certification Initiative for employees obtaining professional certification in purchasing the organizations: National Institute of Governmental Purchasing (NIGP); the State of Florida, or the Institute of Supply Management, the Department's FY 2007-08 Adopted Budget included \$58,000 to cover the expenses associated with 13 employees expected to take advantage of the pay supplement however, the number of employees who decided to take the required examinations and obtain certification following the implementation of the Professional Procurement Certification initiative far exceeded expectations; in FY 2008-09, the department has budgeted \$36,000 to cover an estimated 10 employees; since the implementation of this, to date the number of employees who have been certified as a result of the Professional Procurement Certification initiative plan is 35

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### Department Operational Unmet Needs

Description	Startup Costs/ Non Recurring Costs	Recurring Costs	Positions
Hire one Clerk 3 to allow DPM to maximize its resources and not rely on professional staff to perform clerical tasks	\$2	\$33	1
Hire one Senior Procurement Contracting Officer to assist with increasing Transit procurement workload	\$0	\$89	1
Hire one Technical Programmer Project Manager to provide dedicated technical expertise and management of IT projects	\$0	\$67	1
Replace aging computers by purchasing 50 computers and four printers.	\$26	\$0	0
Convert one temporary Clerk 4 to full-time to provide continuity in the vendor assistance unit	\$0	\$22	1
<b>Total</b>	<b>\$28</b>	<b>\$211</b>	<b>4</b>