

FY 2009 - 10 Adopted Budget and Multi-Year Capital Plan

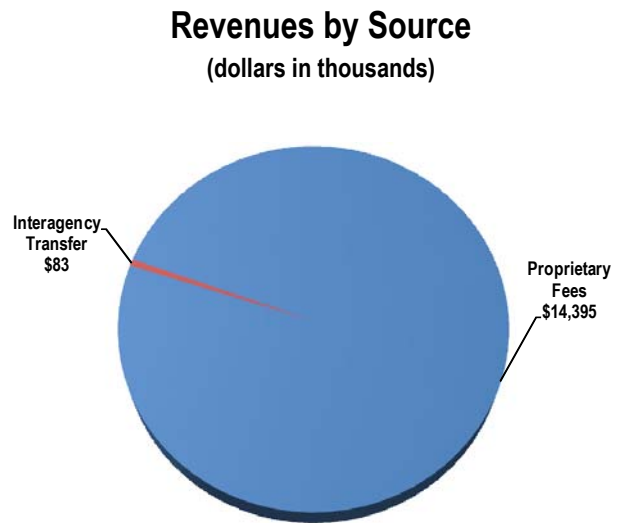
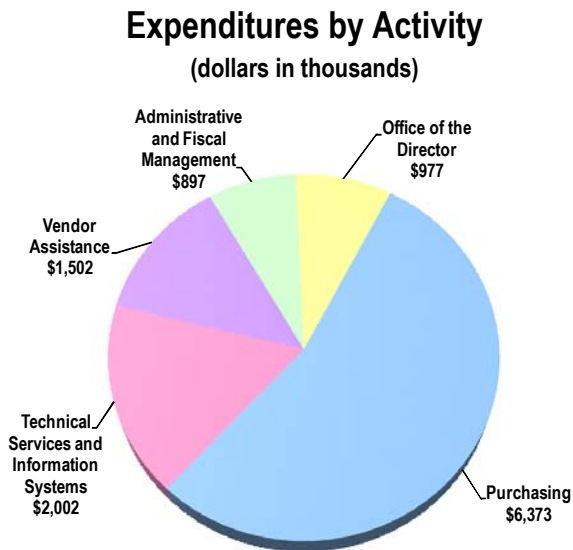
Procurement Management

The Department of Procurement Management (DPM) purchases goods and services for more than 50 County departments and offices that serve our community. The Department ensures a fair and transparent process for procurement through full and open competition, 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 1,400 active contracts valued at approximately \$5.7 billion. DPM performs multiple functions while managing the County's procurement activities, maintaining vendor relations and outreach services, and providing procurement professional development services to County departments.

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

FY 2009-10 Adopted Budget



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TABLE OF ORGANIZATION

<u>OFFICE OF THE DIRECTOR</u>			
<ul style="list-style-type: none"> • 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, prepares agenda packages and implements policies enacted by the Board of County Commissioners 			
<u>FY 08-09</u> 6		<u>FY 09-10</u> 5	
<u>ADMINISTRATIVE AND FISCAL DIVISION</u>		<u>PURCHASING DIVISION</u>	
<ul style="list-style-type: none"> • 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); and coordinates records management/storage and departmental audits 		<ul style="list-style-type: none"> • 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, uses management reviews 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); develops specialized training on procurement methods and contract negotiations 	
<u>FY 08-09</u> 11	<u>FY 09-10</u> 9	<u>FY 08-09</u> 75	<u>FY 09-10</u> 75
<u>VENDOR ASSISTANCE</u>		<u>TECHNICAL SERVICES / INFORMATION SYSTEMS DIVISION</u>	
<ul style="list-style-type: none"> • Conducts vendor outreach and assistance, coordinates vendor information between the Department and County departments; reviews vendor applications for compliance with County resolutions and ordinances; administers the Affirmative Action Plan; certifies architectural and engineering firms; prequalifies under the miscellaneous construction contract; certifies small businesses for Community Business Enterprises, Community Small Business Enterprises, Local Disadvantaged Business Enterprises, Micro/Small Business Enterprises, and the Disadvantaged Business Enterprise; advertises bid, RFP and A&E solicitations in newspapers; conducts bid openings; conducts quality control reviews of procurement processes; and maintains insurance, bid deposits, and performance bonds on behalf of the Department 		<ul style="list-style-type: none"> • 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 and technology 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 	
<u>FY 08-09</u> 9	<u>FY 09-10</u> 18	<u>FY 08-09</u> 15	<u>FY 09-10</u> 15

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FINANCIAL SUMMARY

(dollars in thousands)	Actual FY 07-08	Budget FY 08-09	Adopted FY 09-10
Revenue Summary			
Interest Earnings	380	80	49
Miscellaneous Revenues	85	6	6
Surcharge Revenues	-11	0	0
User Access Program Fees	10,807	11,981	9,547
Carryover	6,317	5,859	4,793
Bond Proceeds	0	0	83
Total Revenues	17,578	17,926	14,478
Operating Expenditures Summary			
Salary	6,839	7,472	7,330
Fringe Benefits	2,027	2,163	2,210
Other Operating	1,093	2,178	2,211
Capital	16	11	0
Total Operating Expenditures	9,975	11,824	11,751
Non-Operating Expenditures Summary			
Reserve	0	4,862	2,011
Transfers	0	1,240	633
Total Non-Operating Expenditures	0	6,102	2,644

(dollars in thousands)	Total Funding		Total Positions	
Expenditure By Program	Budget FY 08-09	Adopted FY 09-10	Budget FY 08-09	Adopted FY 09-10
Strategic Area: Enabling Strategies				
Administrative and Fiscal Management	1,114	897	11	9
Office of the Director	1,080	977	6	5
Purchasing	6,664	6,373	75	75
Technical Services and Information Systems	2,240	2,002	15	15
Vendor Assistance	726	1,502	9	18
Total Operating Expenditures	11,824	11,751	116	122

CAPITAL BUDGET SUMMARY

(dollars in thousands)	PRIOR	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FUTURE	TOTAL
Revenue									
Capital Outlay Reserve	200	0	0	0	0	0	0	0	200
Total:	200	0	0	0	0	0	0	0	200
Expenditures									
Strategic Area: Enabling Strategies									
Computer and Systems Automation	76	32	34	34	24	0	0	0	200
Total:	76	32	34	34	24	0	0	0	200

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SELECTED ITEM HIGHLIGHTS AND DETAILS

Line Item Highlights	(dollars in thousands)				
	Actual	Actual	Budget	Actual	Budget
	FY 06-07	FY 07-08	FY 08-09	FY 08-09	FY 09-10
Travel	10	17	14	8	12
Employee Overtime	5	20	16	18	17
Contract Temporary Employees	30	63	64	77	64
Administrative Reimbursement	0	327	321	346	414
Rent: County-owned	0	0	596	596	565
IT Model	0	0	182	182	203
Contribution to Emergency Contingency Reserve	0	0	0	0	164
Transfers and Reimbursements					
• Small Business Development - Transfer	0	0	1,240	1,240	633

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DIVISION: VENDOR ASSISTANCE

The Vendor Assistance Unit facilitates the procurement registration by processing vendor applications and certifying small businesses while assisting vendors on how to conduct business with Miami-Dade County.

- Coordinates vendor enrollment, vendor registration, and small business certification
- Certifies small businesses for Community Business Enterprises (CBE), Architectural and Engineering (A&E) Community Small Business Enterprises (CSBE), Local Disadvantage Businesses Enterprises (LDBE), Micro/Small Business Enterprises (Micro/SBE), and the Disadvantage Business Enterprise (DBE) programs
- Administers the A&E Pre-Qualification Certification and Affirmative Action Plan processes
- Advertises solicitations for ITBs and RFPs
- Maintains insurance, bid deposits, and performance bonds
- Conducts bid openings and quality assurance reviews of procurement processes
- Provides outreach and customer service to vendors and other County departments
- Facilitates the procurement process by assisting vendors on how to conduct business with Miami-Dade County

Strategic Plan Outcome - Measures

- ED4-2: Customer-friendly environment for regulated businesses and entities doing business with Miami-Dade County (priority outcome)

Objectives	Measures			FY 07-08		FY 08-09		FY 09-10
				Target	Actual	Target	Actual	Target
Increase the number of small businesses for optimal participation	Small business graduations*	OC	↑	20	32	20	40	15
	Certified small businesses*	OP	↔	792	792	871	1,373	900

*Prior to FY 2009-10, these measures were assigned to the Department of Small Business Development

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

Objectives	Measures			FY 07-08		FY 08-09		FY 09-10
				Target	Actual	Target	Actual	Target
Efficiently manage vendor assistance functions	Solicitations advertised	OP	↔	N/A	347	500	289	260
	Vendor workshops	OP	↔	24	28	24	32	28
	Vendor surveys satisfactory or above	OC	↑	87%	87%	89%	89%	89%

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DIVISION HIGHLIGHTS AND BUDGET ENHANCEMENTS OR REDUCTIONS

- In June 2008, the Department implemented a simplified vendor registration and bid/proposal process; vendors responding to County solicitations for contracts only have to submit affidavits once; previously, vendors were required to submit lengthy affidavit packages with each bid or proposal; over 3,000 new vendor applications have been approved under this new process
- During FY 2008-09, the Department has experienced a dramatic increase in the number of firms interested in conducting business with Miami-Dade County; the number of walk-in customers requiring personal assistance increased by 47 percent over FY 2007-08 levels; the number of outreach events coordinated for existing and potential vendors increased by 14 percent; dedicated resources will continue to focus on vendor relations to increase the number of enrolled and registered vendors available to compete for County contracts; this expansion in vendor outreach initiatives will help secure best value contracts through competition
- The FY 2009-10 Adopted Budget includes the transfer of nine positions (three from the Office of Capital Improvements and six from Small Business Development) to support the implementation of the County's effort to consolidate vendor services (\$784,000); firms wishing to conduct business with the County will be able to go to a single point in order to register to become a vendor, to obtain a technical certification as an architecture or engineering firm, to be added to the miscellaneous construction contract pool, to submit an Affirmative Action Plan, and to determine eligibility to be certified in one of the County's disadvantaged or small business programs

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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 reviews 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 barriers, policy, process, or procedural impediments to competition exist

Strategic Plan Outcome - Measures

- ES3-1: Streamlined and responsive procurement process

Objectives	Measures			FY 07-08		FY 08-09		FY 09-10
				Target	Actual	Target	Actual	Target
Reduce processing times for bids and RFPs; promote full and open competition	Average calendar days to process RFPs valued under \$1 million	EF	↓	135	104	135	75	110
	Average calendar days to process RFPs valued over \$1 million	EF	↓	215	252	236	213	236
	Average calendar days to process bids valued under \$1 million	EF	↓	135	94	135	79	110
	Average calendar days to process bids valued over \$1 million	EF	↓	215	327	236	247	236
	Active contracts	IN	↔	1,313	1,212	1,379	1,221	1,390
	Contracts awarded	OP	↔	1,167	896	1,284	852	1,031

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- ES3-2: Full and open competition

Objectives	Measures			FY 07-08		FY 08-09		FY 09-10
				Target	Actual	Target	Actual	Target
Reduce processing times for bids and RFPs; promote full and open competition	Percentage of contracts that are bid waiver or sole source	EF	↓	14%	14%	14%	14%	14%

DIVISION HIGHLIGHTS AND BUDGET ENHANCEMENTS OR REDUCTIONS

- To facilitate advanced acquisition planning, departments completed procurement acquisition plans for FY 2007-08 and FY 2008-09; this process supported efficiencies in countywide purchasing by allowing the Department to plan workloads, allocate resources, and combine solicitations
- The FY 2009-10 Adopted Budget includes seven in-stationed positions paid for by Miami-Dade Transit (MDT) to help meet procurement demands in the goods and services area; this includes two positions transferred from MDT to the Department in FY 2008-09 as part of consolidating the procurement process; the Department will now be responsible for handling MDT's general procurement items
- ✿ During FY 2009-10, DPM will continue implementing "Green Initiatives"; accomplishments during FY 2008-09 include the "DPM Goes Green" sustainability initiative to promote purchases of environmentally preferred goods and services, development of a comprehensive "Buy Green" Purchasing Guide for use on a countywide basis and continued establishment of environmentally friendly contracts; since 2006 a total of 29 environmentally friendly contracts valued at over \$140 million have been awarded
- In FY 2009-10, the Department will continue to utilize best practices procurement models and innovative methods to procure goods and services; total cost of ownership, reverse auctions, and performance based contracting models

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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
- Prepares job announcements, conducts recruitment, and implements succession planning, mentoring and internship programs; processes all personnel actions
- Prepares departmental Business Plan and tracks and monitors performance measures
- Collects the County's User Access Program (UAP) and miscellaneous fees
- Provides guidance to supervisory staff with employee performance evaluations and personnel actions
- Maintains supplies and capital equipment inventory
- Coordinates records management and departmental audits

Strategic Plan Outcome - Measures

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

Objectives	Measures			FY 07-08		FY 08-09		FY 09-10
				Target	Actual	Target	Actual	Target
Efficiently manage administrative, budget, and personnel functions	Participants attending professional development training*	OP	↔	590	664	600	820	500

*The FY 2008-09 Actual includes mandatory diversity training conducted Countywide and a local National Institute of Governmental Purchasing (NIGP) training

DIVISION HIGHLIGHTS AND BUDGET ENHANCEMENTS OR REDUCTIONS

- In FY 2009-10, the Department will contract with the National Institute of Governmental Purchasing (NIGP) to conduct two studies; information gained from the studies is expected to improve and enhance current processes: Purchasing Card (P-Card) Roadmap - to identify the appropriate path for implementing a 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
- In FY 2009-10, the Department will continue to improve staffing resources through professional development and human resources; the Department's comprehensive internal training programs and Professional Procurement Certification initiative promotes increased staff certification; currently 41 staff members are certified, representing 50 percent of professional purchasing staff
- The Department continues the implementation of the User Access Program (UAP), including the promotion of joint purchase agreements with municipalities, not for profit agencies and other non-County agencies; 50 agreements with UAP partners have been processed

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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 and updates the department's Management Information Systems functions
- Develops and processes countywide IT procurements
- Administers Local Area Network
- Manages countywide Advanced Purchasing and Inventory Control System (ADPICS)
- Develops and implements e-Procurement, vendor performance and, IT 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

Objectives	Measures			FY 07-08		FY 08-09		FY 09-10
				Target	Actual	Target	Actual	Target
Reduce IT procurement processing time; manage procurement technology	Average calendar days to process IT related RFPs valued over \$1 million*	EF	↓	215	168	236	377	236
	Average calendar days to process IT related RFPs valued under \$1 million*	EF	↓	135	138	135	317	110
	Average calendar days to process bids valued under \$1 million	EF	↓	135	92	135	110	110
	Average calendar days to process bids valued over \$1 million**	EF	↓	215	N/A	236	665	236
	Active IT contracts	IN	↔	187	219	196	276	248
	IT Contracts awarded	OP	↔	154	139	162	152	157

* The FY 2008-09 Actual is higher than the Target as a result of delays associated with cost-saving contract negotiations; the measure does not include time associated with extraordinary circumstances or delays beyond Department control

**In FY 2008-09, an extraordinary amount of time was needed to develop technical specifications and scope of services for the bids measured

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DIVISION HIGHLIGHTS AND BUDGET ENHANCEMENTS OR REDUCTIONS

- The Department's FY 2009-10 Adopted Budget includes funding to support a Service Level Agreement (SLA) with ETSD in the amount of \$172,500; the SLA will be utilized to provide dedicated staff support to the Department's current reporting applications utilized to serve vendors and client departments
- The FY 2009-10 Adopted Budget assumes carryover funding from the Capital Outlay Reserve (COR) for enhancing the Vendor Performance database (\$32,000); in addition, carryover funding is available for Electronic Document Management System (EDMS) which allows the Department to increase efficiency by making file retrieval more accessible and faster (\$92,000)
- In FY 2008-09, the Department implemented a web-based Bid Tracking System, allowing user department's access to contract and vendor information and reporting capabilities; the next phase of this initiative to be implemented during FY 2009-10 and will include the enhanced automation of the solicitation process and full automation of the agenda process
- In FY 2007-08, DPM engaged the National Institute of Governmental Purchasing (NIGP) to review, evaluate and make recommendations to improve the agenda process for contract approvals; implementation of an automated agenda process as well as other recommendations will be implemented in FY 2008-09 and FY 2009-10

BUDGET ENHANCEMENTS OR REDUCTIONS AND ADDITIONAL COMMENTS

- The FY 2009-10 Adopted Budget includes \$9.547 million from the User Access Program (UAP), \$4.793 million in carryover, \$6,000 in miscellaneous revenues, and \$49,000 in interest for the funding of the procurement functions
- The Department's FY 2009-10 Adopted Budget includes a transfer of \$633,000 from the UAP to the Department of Small Business Development
- The FY 2009-10 Adopted Budget includes funding from the Capital Outlay Reserve for an e-procurement solution to achieve efficiencies in data collection, procurement process management, reporting, and to facilitate the ease for vendors in conducting business with the County and for user departments in making on-line purchases; the solution will interface with legacy systems and integrate with the future countywide implementation of the Enterprise Resource Planning (ERP) solution
- The FY 2009-10 Adopted Budget includes the reimbursement for resources dedicated to purchasing for the Ballpark Stadium Project
- *The FY 2009-10 Adopted Budget includes the elimination of one vacant Accountant 1 position, one vacant Deputy Director position, and one vacant Administrative and Fiscal Services Manager (\$340,000)*

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Department Operational Unmet Needs

Description	(dollars in thousands)		Positions
	Startup Costs/ Non Recurring Costs	Recurring Costs	
Hire one Administrative and Fiscal Services Manager and one Accountant 1	\$0	\$170	2
Hire one Deputy Director	\$0	\$170	1
Total	\$0	\$340	3