



**Laurie Rozko**  
Director

**Mission Statement**  
The Purchasing Department is dedicated to managing for our customers the most cost-effective and efficient procurement of quality goods and services in support of the County of San Bernardino mission and goals. We will accomplish this through exceptional customer service, innovative processes, and sound business practices.



**GOALS**

ASSIST VENDORS WITH OPPORTUNITIES FOR COUNTY BUSINESS

IMPLEMENT THE ENVIRONMENTALLY PREFERABLE PURCHASING POLICY

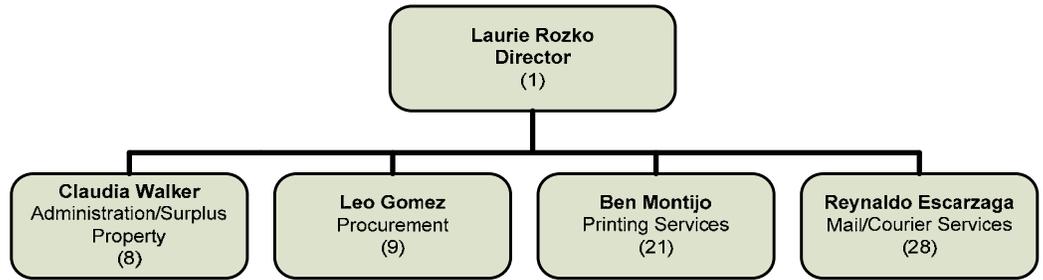
WEBSITE REDESIGN TO EXPAND THE FLOW OF INFORMATION

INCREASE SURPLUS PROPERTY REUSE/SALES

REDUCE COUNTYWIDE FREIGHT CHARGES

**PURCHASING**

**ORGANIZATIONAL CHART**



**DESCRIPTION OF MAJOR SERVICES**

The Purchasing Department is responsible for the acquisition of equipment, services, and supplies used by county departments and special districts under the governance of the Board of Supervisors. In addition, certain services are available to outside agencies and municipalities. Purchasing manages three internal service programs—Printing Services, Surplus Property and Storage Operations, and Mail/Courier Services.

The Purchasing Department strives to provide outstanding service to all customers by acting with integrity; providing quality products with reasonable prices and timely deliveries; offering progressive services and the effective use of automation; giving all willing vendors the opportunity to provide pricing on their products and services in a fair, open, and competitive environment; and by treating each department, employee, and vendor with respect and understanding. By meeting these objectives, the Purchasing Department fulfills the purchasing responsibility and legal requirements of the County of San Bernardino.

**2009-10 SUMMARY OF BUDGET UNITS**

	Operating Exp/ Appropriation	Revenue	Local Cost	Revenue Over/ (Under) Exp	Staffing
<b>General Fund</b>					
Purchasing	1,443,974	424,725	1,019,249		16
Total General Fund	1,443,974	424,725	1,019,249		16
<b>Internal Service Funds</b>					
Printing Services	4,616,238	4,033,168		(583,070)	21
Surplus Property and Storage Operations	267,199	286,870		19,671	2
Mail/Courier Services	6,902,390	6,887,926		(14,464)	28
Total Internal Service Funds	11,785,827	11,207,964		(577,863)	51
<b>Total - All Funds</b>	<b>13,229,801</b>	<b>11,632,689</b>	<b>1,019,249</b>	<b>(577,863)</b>	<b>67</b>



**GOALS, OBJECTIVES, AND PERFORMANCE MEASURES**

**GOAL 1: ASSIST VENDORS IN IDENTIFYING OPPORTUNITIES AND COMPETING FOR COUNTY BUSINESS.**

- Objective A: Upgrade the automated vendor registration to incorporate uploads of insurance information and certificates.*
- Objective B: Provide informational modules for online viewing, focusing on how to do business with the county.*
- Objective C: Implement online bidding and tabulation.*
- Objective D: Increase bid notifications to vendors based on commodity codes they select during the registration (or update) process.*
- Objective E: Survey vendors to receive qualitative feedback.*
- Objective F: Implement an online supplier rating system for quality, cost, delivery, and service and make the ratings available to county departments.*

MEASUREMENT	2007-08 Actual	2008-09 Actual	2009-10 Target	2009-10 Estimate	2010-11 Target
1A. Percentage of vendors providing survey feedback. (Baseline 3,000).	<1%	4%	15%	15%	20%

Status

This goal emphasizes the Purchasing Department’s focus on finding the most economical solutions for county departments, maintenance of an effective and responsive vendor pool, and success for local businesses in opportunities to secure county business. Staff is committed to continually enhancing the vendor registration process and to adding features that facilitate the bidding process.

On December 15, 2009 (#76), a Request for Proposals (RFP) for electronic procurement software was approved by the Board of Supervisors (Board). It is anticipated that a vendor will be chosen for initial electronic procurement applications and that implementation will begin in 2010. This new electronic procurement software will assist the department in achieving the objectives of providing informational modules for on-line viewing which will focus on how to do business with the county as well as online bidding and tabulation. The new system is also expected to provide increase bid notifications to county vendors utilizing commodity codes.

In order to maximize supplier relationships and supplier performance in the county’s diverse workplace, the Purchasing Department will seek to compile feedback regarding suppliers from user departments and through supplier self-assessments. Periodic ratings will include quantitative and qualitative rankings on criteria such as quality of goods and services, adherence to delivery schedules, cost, service or supply capability, and customer service. The results will assist the Purchasing Department in its efforts to keep a quality vendor pool for county departments.

- 2008-09 ACCOMPLISHMENTS**
- ❖ Received the “Achievement of Excellence in Procurement” Award from the National Institute of Governmental Purchasing
  - ❖ Developed the Environmentally Preferable Purchasing Policy (11-10)
  - ❖ Implemented the automated billing system in Printing Services to improve accuracy, timeliness and reporting for user departments
  - ❖ Implemented online ordering of business cards, to create countywide efficiencies
  - ❖ Provided vendor training at the Small Business Expo and participated in several economic recovery workshops
  - ❖ Initiated external customer service surveys to build vendor relationships and improve procurement
  - ❖ Began a quarterly training program for county departments, offering procurement-related subject matter
  - ❖ Completed the first CAL-Card Performance Audit in conjunction with the Auditor/Controller
  - ❖ Developed comprehensive templates for both product and service RFP’s and contracts
  - ❖ Developed standard contract language for best value evaluation and environmental reporting

**GOAL 2: IMPLEMENT THE ENVIRONMENTALLY PREFERABLE PURCHASING POLICY, STANDARD PRACTICES AND ACTIVITIES THAT SUPPORT ITS USE.**

*Objective A: Publish Standard Practices that include target product categories for green purchasing.*

- *Identify desirable product service labels for use in the procurement process.*
- *Assist departments in developing evaluation criteria that recognizes environmental factors.*
- *Highlight green products for easy identification within existing county contracts.*

*Objective B: Minimize the use of hazardous and toxic materials in county operations.*

*Objective C: Conduct vendor shows featuring green products for departmental users.*

*Objective D: Conduct pilot testing of post-consumer recycled content and remanufactured products*

*Objective E: Enhance environmental reporting and measurement.*

*Objective F: Assist in the development of recycling programs for county departments.*

*Objective G: Establish standards for photocopying and printing equipment.*

MEASUREMENT	2007-08 Actual	2008-09 Actual	2009-10 Target	2009-10 Estimate	2010-11 Target
2A. Percentage of Countywide environmentally-preferable office supply purchases. (Baseline \$3,006,413).	N/A	24%	38%	24%	30%

Status

The Environmentally Preferable Purchasing Policy was approved by the Board on October 27, 2009 (#33). A *Green Team*, consisting of members from various county departments, is developing standard practices expected to be completed in January 2010.

This goal acknowledges the county's intent to purchase and use products that are not harmful to the environment whenever fiscally possible. It is essential that the implementation of the Environmentally Preferable Purchasing Policy be cost effective and that the objectives work in tandem with other county policies and initiatives directed as energy efficiency, fuel efficiency, recycling, water conservation, green building and emissions reduction. The department is now incorporating language related to environmental preferences in the bidding and contracting process to encourage organizations that are doing business with the county to demonstrate environmental stewardship and provide data for county reporting purposes.

The 2009-10 estimate is less than the target because the recycled content of the most frequently ordered general purpose paper changed to non-recycled content. In addition, the 2008-09 actual was changed from 35% to 24% to more accurately reflect recycled content resulting from this manufacturing change. The Purchasing Department is working with the vendor to identify and recommend paper and other products with recycled content that departments can use.

### GOAL 3: ENHANCE THE PURCHASING DEPARTMENT WEBSITE TO INCREASE INTERACTIVITY AND EXPAND THE FLOW OF INFORMATION.

*Objective A: Provide quick accessibility to purchasing information and services in all divisions.*

- *Improve website navigation.*
- *Enable the department to easily maintain its site.*
- *Facilitate customer and vendor (internal and external) contact with buyers.*

*Objective B: Create a travel portal with information and procedures.*

- *Consolidate travel procedures in one location.*
- *Negotiate contractual options for travel when possible.*
- *Conduct pilot test of Southwest Airlines' SWABIZ Program; capture segments flown on county business for future county use.*

*Objective C: Provide space for growth, to add electronic procurement modules.*

- *Link automated billing systems for internal services including web-enabled options.*
- *Improve vendor support as outlined in Goal 1.*
- *Design portals for vendors to input data for departmental reporting (e.g. recycled product content).*

#### Status

This goal represents a commitment to customer service. Changes to the overall website will include a variety of additional links and search capabilities to locate information and tools such as forms and statements of account. The site will be designed for easy maintenance and the later addition of electronic procurement functions such as online bidding and requisitioning. The emphasis on travel will be to deliver countywide information in one location and incorporate cost-saving contractual travel arrangements whenever possible. Interfaces with automated billing and/or ordering systems in mail and printing services are also a priority, along with portals to collect needed data from vendors for reporting purposes. The department also envisions streaming video to offer procurement training. In general, the theme of this goal is efficiency through automation.

### GOAL 4: INCREASE COUNTY SURPLUS PROPERTY REUSE AND SALES.

*Objective A: Implement an automated internal reallocation program to reuse surplus property in county departments.*

- *Enable online inquiries, viewing and reservation of property.*
- *Conduct a live public auction for surplus property in conjunction with the state of the county*

*Objective B: Use internet auctioning for public sales, with online viewing bidding and purchasing.*

- *Increase departmental revenue.*
- *Minimize costs associated with live auctions.*
- *Advertise the website and online auctions to potential bidders.*

*Objective C: Increase value and return on saleable surplus property.*

- *Work with vendors to refurbish and sell surplus office furniture.*
- *When fiscally practicable, perform minor maintenance and repairs to surplus property prior to sale.*
- *Establish relationships with equipment brokers and vendors to sell surplus medical equipment.*
- *Conduct quality auctions to establish and maintain a consistent customer base.*

MEASUREMENT	2007-08 Actual	2008-09 Actual	2009-10 Target	2009-10 Estimate	2010-11 Target
4A. Percentage of auctions resulting in sales on the Public Surplus website. (Baseline 338 auctions).	N/A	76%	55%	75%	75%

#### Status

This goal reflects an effort to maximize efficiency and revenue from equipment purchased with public funds. In accordance with County Policy 11-09, when items are declared surplus, the department's first priority is to reallocate it to other county departments. The second priority is to allocate it to community-based organizations as part of a program

administered by Human Services. The third priority is to offer it to the general public for sale through live and online auctions.

This year the department has increased internal advertisement of surplus property and will implement a system to make advertising more efficient. The department is also exploring vendor services to refurbish systems furniture to maximize the returns. Lastly, the department plans to establish relationships with medical supply vendors to maximize return on the county's used medical equipment.

When the 2009-10 target for this measurement was developed, the department took into account the declining economy and reduced the percentage of auctions resulting in sales from the estimate of the prior year. Presently, however, the department is experiencing an increase in the number of auction sales and therefore is estimating a higher percentage for 2009-10.

#### **GOAL 5: REDUCE TRANSPORTATION AND FREIGHT CHARGES FOR PROCUREMENTS.**

*Objective A: Implement a traffic/logistics program to coordinate and reduce cost*

- *Separate freight charges on all procurements*
- *Utilize multiple carriers for quotes and shipments.*
- *Reduce liability and losses.*

*Objective B: Enhance delivery services to county departments*

- *Offer online rate quotes.*
- *Provide shipment tracking and intervention with carriers.*

#### Status

This is a new goal for 2010-11. Until now most bids solicited by the Purchasing Department have required shipping charges to be included in the commodity pricing. Staff will evaluate freight charges on a sampling of purchase orders for various types of products and evaluate options to consistently obtain the most advantageous pricing and freight modes in an effort to contain countywide costs.

#### **2010-11 REQUESTS FOR GENERAL FUND FINANCING**

<b>Brief Description of Policy Item or CIP request</b>	<b>Budgeted Staffing</b>	<b>Appropriation</b>	<b>Dept. Revenue</b>	<b>Local Cost</b>
1. Lease web-based software to automate and track processes, implement online bidding and tabulation and facilitate electronic submittal of requisitions. (Policy Item – One time)		150,000	100,000	50,000
Currently, Purchasing issues bids manually, user departments submit paper requisitions, and buyers utilize several different systems to track purchase orders. Lease of the software would enable the department to automate and track several processes, and ultimately increase the speed with which requests are completed. No additional staff is needed to implement the software. The selected vendor would host and maintain service on their servers. One-time costs are estimated at \$50,000 for systems development to create necessary interface functions. Lease costs would be funded with departmental revenue or vendor fees.				
2. Restore funding for Buyer II position (Policy Item – Ongoing)	1	68,004	-	68,004
Restore the Buyer II position that would be cut to meet the 2010-11 preliminary budget target. Due to the workload, the position is vital to business operations to get purchase orders and bids completed in a timely manner. Without the position, the department will take longer to process purchase orders and bids, negatively impacting county departments' ability to procure services and supplies in a timely manner. This could potentially impact their ability to provide good customer service.				

MEASUREMENT	2007-08 Actual	2008-09 Actual	2009-10 Target	2009-10 Estimate	2010-11 Target
P1. Percentage of bids processed through electronic commerce. (Baseline 110).					30%
P2. Percentage of requisitions processed within 10 business days.  Processing is defined as the time period from receipt of the requisition by Purchasing to the date it is mailed to the vendor. Of a total of 3,212 requisitions received in 2008-09, approximately 70% were processed within 10 business days. Those that could not be processed immediately were missing information, did not follow county policy, funding was not in place, the vendor had not registered, or the requisition request was withdrawn. Purchasing eliminated a vacant buyer position during last year's budget cycle. The elimination of an additional position will leave a total of seven buyers and one supervising buyer to facilitate a workload that includes approximately 3,000 purchase orders, more than 100 bids for annual contracts, approximately 40 formal requests for proposal, 10-15 countywide contracts and dozens of informal quotes, in addition to assisting county departments with review of their requests for proposal and agenda items, countywide training for staff in all departments, maintaining vendor relationships, conducting evaluation panels, etc. Without restoration of this position, processing time will increase.					70%

## 2010-11 PROPOSED FEE/RATE ADJUSTMENTS

The department is not requesting fee adjustments in the county fee ordinance, but may request an increase in service rates charged to other county departments. Although the Mail Services division has reduced administrative overhead by cutting vacant positions, it may request an increase in billing rates for 2010-11 to offset increases in the United States Postal Service costs.

If there are questions about this business plan, please contact Laurie Rozko, Director, at (909) 387-2074.