

PROGRAM HIGHLIGHTS**FINANCE PURCHASING**

<u>SERVICE INDICATORS</u>	<u>Actual 2010</u>	<u>Actual 2011</u>	<u>Estimated 2012</u>	<u>Projected 2013</u>
1. Purchase Orders Issued to Bids/RFPs/Waivers	63	69	65	65
2. Dollar Value of Bid/RFP/Waiver Purchase Orders	\$13,635,523	\$20,207,153	\$20,000,000	\$20,000,000
3. % of Total Transactions/% of Total Dollar Value	0.8/57.8	0.8/65.3	.9/66.7	.8/66.7
4. All Other Purchasing Transactions	7,656	8,467	7,500	7,875
5. Dollar Value of all Other Purchasing Transactions	\$9,917,533	\$10,743,147	\$10,000,000	\$10,000,000
6. % of Total Transactions/% of Total Dollar Value	99.2/42.2	99.2/34.7	99.1/33.3	99.2/33.3
7. Total Number of All Purchasing Transactions	7,719	8,536	7,565	7,940
8. Total Dollar Value of all Purchasing Transactions	\$23,553,056	\$30,950,300	\$30,000,000	\$30,000,000
9. Number/Value of Surplus Sales Conducted	5/\$127,649	9/\$19,693	6/\$71,530	6/\$30,000

2013 GOALS

1. Continue to work with the City management and staff to centralize the City's purchasing process to achieve efficiencies, proficiencies and cost reductions in order to address the City's financial needs.
2. Continue to measure and analyze the ten Purchasing benchmarks and performance measures identified and adopted from the Center for Advanced Purchasing Studies and ICMA (Purchasing headcount/total dollars as a percent of City headcount/budget, etc.). Develop strategies to improve service delivery.
3. Continue to work with the City's energy consultant, City stakeholders and our current and potential aggregation partners to analyze the commercial marketplace for energy and, when advantageous, negotiate contracts for the supply and delivery of electricity, natural gas, gasoline, diesel fuel, kerosene, #2 fuel oil and propane.
4. Continue membership on the City's Enterprise Resource Planning (ERP) System Steering Committee. Assist with the continued implementation and upgrade of ERP software for financials, human resources, payroll and utility billing.
5. Continue to investigate and utilize selected competitively solicited intergovernmental cooperative purchasing contracts that maintain a high level of service and quality while reducing overall costs to the City.
6. Update the City Purchasing Ordinance, policies and procedures, as appropriate. Continue to train City staff on the use of Logos and City purchasing policies and procedures.
7. Continue to co-chair the Accounts Payable/Purchasing Continuous Improvement Team in order to share working knowledge of Logos, improve and streamline City accounts payable and purchasing processes, and suggest improvements to the functionality of corresponding Logos modules.
8. Work with the General Services Department and the City's energy consultants to ensure that the City implements, monitors and reports on all awarded American Reinvestment and Recovery Act (ARRA) Energy Efficiency Conservation Block Grants.

2012 GOALS STATUS

1. Continue to work with the City management and staff to centralize the City's purchasing process to achieve efficiencies, proficiencies and cost reductions in order to address the City's financial needs.
9-Month Status: Utilizing a State of NH competitively bid and awarded contract with Central Paper products, all City facilities have been standardized on janitorial supplies with an estimated annual savings in excess of 20%.

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2. Continue to measure and analyze the ten Purchasing benchmarks and performance measures identified and adopted from the Center for Advanced Purchasing Studies and ICMA (Purchasing headcount/total dollars as a percent of City headcount/budget, etc). Develop strategies to improve service delivery.
9-Month Status: Current fiscal year benchmark, performance measures and statistics are posted quarterly on the City's shared computer drive.
3. Continue to work with the City's energy consultant, City stakeholders and our current and potential aggregation partners to analyze the commercial marketplace for energy and, when advantageous, negotiate contracts for the supply and delivery of electricity, natural gas, gasoline, diesel fuel, kerosene, #2 fuel oil and propane.
9-Month Status: In conjunction with the State of NH, a competitive solicitation was issued and awarded to South Jersey Energy for the purchase of 4.3 million kWh of electricity per year for the Hall Street Wastewater Treatment Facility and Water Treatment Plant. This electricity will be generated by Concord Power and Steam (CPS) using wood chips (100% renewable). This contract will begin January 1, 2014 and will run for 10 years, with two 5-year renewal options. This agreement was made in conjunction with substantially lower steam costs approved by the NH Public Utilities Commission and a PILOT agreement between the City and CPS. The City is currently under fixed pricing agreements for the supply of electricity and natural gas through December 31, 2013 and June 30, 2013, respectively. Extensions to those agreements are currently being investigated. All City fuels are currently being purchased on the spot/indexed price market due to price volatility. The City's fuel team meets monthly to discuss the best option(s) for purchases into the future.
4. Continue membership on the City's Enterprise Resource Planning (ERP) System Steering Committee. Assist with the continued implementation and upgrade of ERP software for financials, human resources, payroll and utility billing.
9-Month Status: This committee continues to meet monthly. V7.0 SP4, SP5 and SP6 upgrades to the City's ERP software (Logos) were successfully tested and implemented in FY 2012. The program, eSupplier, which will allow vendors to view the status of their purchase orders and invoices, is currently being tested. We are working with our IT Department and the Purchasing staff in the City of Keene to implement on-line vendor registration for future competitive solicitations.
5. Continue to investigate and utilize selected competitively solicited intergovernmental cooperative purchasing contracts that maintain a high level of service and quality while reducing overall costs to the City.
9-Month Status: The City's Purchasing Agent and Purchasing Manager continue to meet quarterly with our counterparts in Dover, Keene, Laconia, Manchester, Nashua and Portsmouth for the purposes of sharing information/experiences, investigating the potential for bidding commonly used goods/commodities, and conducting professional education. This group has begun discussions with the State of NH on intergovernmental cooperative bidding and contract awards. The City continues its membership in the Northeast/Merrimack Valley Chemical Consortium. This consortium consists of 50+ municipalities in Massachusetts and the City of Concord. Most of the chemicals utilized at the Water Treatment Plant and Wastewater Treatment Facility are purchased through a consortium bid and subsequently awarded contracts.
6. Update the City Purchasing Ordinance, policies and procedures as appropriate. Continue to train City staff on the use of Logos and City purchasing policies and procedures.
9-Month Status: Two separate 4-hour training sessions were conducted in September 2011 on the Logos Purchasing modules. These sessions were designed for new City employees and those needing a refresher. The Deputy City Manager-Finance organized a Lean Team to review the use of City Purchasing cards (P-cards), which resulted in the recommendation to reduce the number of P-cards in use by City staff and limit their use to vendors that will not accept a City issued purchase order. These recommendations were implemented February 1, 2012.

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7. Continue to co-chair the Accounts Payable/Purchasing Continuous Improvement Team in order to share working knowledge of Logos, improve and streamline City accounts payable and purchasing processes, and suggest improvements to the functionality of corresponding Logos modules.
9-Month Status: This team is scheduled to meet monthly. The members of the team assisted with the implementation of the three previously mentioned upgrades to Logos and supported the following procedural changes: a) restricting any changes to the Logos item master to the Purchasing staff; b) allowing most City departments to review and complete their own open purchase orders; and, c) closing all non-CIP expensed purchase orders at the end of each fiscal year.
8. Work with the General Services Department and the City's energy consultants to ensure that the City implements, monitors and reports on all awarded American Reinvestment and Recovery Act (ARRA) Energy Efficiency Conservation Block Grants.
9-Month Status: Phase 3 of the City's energy management services agreement has been implemented by an agreement between the City and Consolidated Edison Solutions (ConEd). This phase included the following:
a) Replacement of the HVAC system at the Heights Fire Station (City funds); b) Replacement of 116 incandescent pedestrian crosswalk signal light modules with LED light modules and 42 incandescent pedestrian crosswalk signals with LED countdown crosswalk signals (ARRA and City funds); c) upgrading 982 lighting fixtures City-wide with state-of-the-art technology (ARRA and City funds); and d) installing domestic solar hot water systems at the Hall Street Wastewater Treatment Facility and Broadway, Central and Manor Fire Stations (ARRA and City funds). Annually, these changes are collectively guaranteed to save at least 282,655 kWh of electricity and 698 therms of natural gas. The total annual guaranteed cost savings will be at least \$41,520. ConEd has presented the City with an investment grade audit (IGA) for Phase 4 energy improvements. This IGA is currently under review by City staff.

FINANCE PURCHASING**BUDGET DETAIL**

	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 BUDGETED	2012 ESTIMATED	2013 FISCAL BUDGET
REVENUE						
SALE OF ASSETS	\$47,924	\$78,226	\$18,080	\$30,000	\$71,530	\$30,000
130 PHOTOCOPY MACHINE	\$0	\$179	\$256	\$0	\$270	\$0
Total	\$47,924	\$78,405	\$18,336	\$30,000	\$71,800	\$30,000
APPROPRIATIONS						
COMPENSATION	\$104,375	\$116,594	\$125,659	\$132,140	\$132,140	\$133,540
OUTSIDE SERVICES	\$25,073	\$23,617	\$23,771	\$28,720	\$28,280	\$26,440
SUPPLIES	\$1,941	\$2,143	\$1,383	\$2,710	\$2,870	\$17,750
INSURANCES	\$1,275	\$1,314	\$1,743	\$1,670	\$1,920	\$1,900
FRINGE BENEFITS	\$21,211	\$33,608	\$43,341	\$46,770	\$44,670	\$45,740
Total	\$153,876	\$177,275	\$195,897	\$212,010	\$209,880	\$225,370

<u>POSITION TITLE</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Purchasing Manager	1.00	1.00	1.00	1.00
Purchasing Agent	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>
Total	2.00	2.00	2.00	2.00

FUNDING IMPACT**FINANCE PURCHASING**

This budget reflects an increase in supply costs due to the Purchasing Division managing copiers that are shared by departments within City Hall.

FINANCE PURCHASING

NOTES
