

PROGRAM HIGHLIGHTS**FINANCE PURCHASING**

<u>SERVICE INDICATORS</u>	<u>Actual 2012</u>	<u>Actual 2013</u>	<u>Estimated 2014</u>	<u>Projected 2015</u>
1. Purchase Orders Issued to Bids/RFPs/Waivers	70	69	80	75
2. Dollar Value of Bid/RFP/Waiver Purchase Orders	\$20,385,931	\$23,957,797	\$24,000,000	\$24,500,000
3. % of Total Transactions/% of Total Dollar Value	1.0/63.9	1.0/65.4	1.0/64.9	1.0/64.5
4. All Other Purchasing Transactions	7,059	6,966	7,620	7,600
5. Dollar Value of all Other Purchasing Transactions	\$11,515,660	\$12,647,161	\$13,000,000	\$13,500,000
6. % of Total Transactions/% of Total Dollar Value	99.0/36.1	99.0/34.6	99.0/35.1	99.0/35.5
7. Total Number of All Purchasing Transactions	7,129	7,035	7,700	7,700
8. Total Dollar Value of all Purchasing Transactions	\$31,901,591	\$36,604,958	\$37,000,000	\$38,000,000
9. Number/Value of Surplus Sales Conducted	12/\$81,757	9/\$70,172	8/\$20,000	10/\$30,000

2015 GOALS

1. Continue to work with 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 meet with other Purchasing Managers/Agents throughout the state of NH, on a quarterly basis, in order to: 1) 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, and 2) Discuss, investigate, promote and implement best practices, ethical values and public service.
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.

2014 GOALS STATUS

1. Continue to work with 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: Accounts Payable and the Purchasing Division continue to work with the staff at Beaver Meadow Golf Course to assist them with modifying their purchasing and invoice payment procedures and improve their productivity by utilizing the City's financial management software (Logos) to its full potential. In order to improve accessibility for all vendors to major City solicitations and eliminate the expense of printing and distributing solicitations, bids and RFPs are now made available in PDF format, at no charge, on the City's secure FTP site.

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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: The 1st and 2nd quarter benchmarks, performance measures and statistics are currently posted on Q:\Common\20 Purchasing\FY14 Statistics. The 3rd quarter will be posted as soon as possible.
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: A combination of fixed price and indexed (spot market) price contracts are currently in place for the remainder of FY 2014 for electricity supply (Constellation New Energy and Integrys), natural gas supply (Hess), 87 octane gasoline and ultra-low sulfur diesel fuel (Dennis K. Burke), and #2 fuel oil and kerosene (Huckleberry Propane & Oil). The City currently purchases very little propane and utilizes a State of NH contract with Eastern Propane when needed. The Purchasing Manager is currently in discussions with our energy consultants (Beacon Integrated Solutions and the Axsess Group) concerning the optimal time to go out to bid on the open market for future electricity and natural gas supply. The City's fuel team continues to meet on a monthly basis, as needed, to review and discuss our various fuel contracts and the optimum time to enter into future fixed and indexed price contracts.
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 on an as needed basis. To date in FY 2014, this committee has reviewed, discussed tested and implemented the following upgrades to Logos: a) v8.2 NextGen; b) v8.2 position control/position budgeting; and c) v8.3 and v8.4.
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 Purchasing Agent and Purchasing Manager continue to meet on a quarterly basis with our counterparts from Dover, Keene, Laconia, Manchester, Nashua and Portsmouth. We successfully worked with the State of NH Purchasing Office to create and issue a bid for office supplies. As a result of this solicitation, a 3-year contract was awarded to W.B. Mason, effective November 1, 2013. The City worked closely with representatives of W.B. Mason to assist us in making the transition from OfficeMax for the purchase of all our office supplies. The City went live with W.B. Mason on December 23, 2013, and, to date, has experienced substantial savings and excellent service while still maintaining the same high quality products we have become accustomed to. Due to the success of this process, we are currently investigating other commodities/services we can jointly bid with the State of NH.
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: This is an ongoing process. The Purchasing staff continues to train City staff on our policies and procedures and the use of Logos as necessary.

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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 committee continues to meet, as needed, on the fourth Wednesday of every month.
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: All ARRA funded projects have been successfully completed and all US Department of Energy and State of NH Office of Energy and Planning funds have been expended. Going forward we are using/have used City appropriated funds to:
- a) Perform measurement and verification of all energy improvements. This is being done to confirm that the energy savings guaranteed by our energy services company (ESCO), Consolidated Edison Solutions, have been achieved. If they are not achieved, the ESCO will owe us the difference between the guaranteed and actual savings.
 - b) Complete the conversion of the Heights Community Center (former Dame School) from heating with #2 fuel oil to natural gas.
 - c) Upgrade the HVAC heating and cooling systems in the Manor and Broadway Fire Stations.

FINANCE PURCHASING**BUDGET DETAIL**

	2011 ACTUAL	2012 ACTUAL	2013 ACTUAL	2014 BUDGETED	2014 ESTIMATED	2015 BUDGET
REVENUE						
SALE OF ASSETS	\$18,080	\$72,386	\$70,459	\$30,000	\$20,000	\$30,000
130 PHOTOCOPY MACHINE	\$256	\$261	\$0	\$0	\$0	\$0
Total	\$18,336	\$72,647	\$70,459	\$30,000	\$20,000	\$30,000
APPROPRIATIONS						
COMPENSATION	\$125,659	\$132,400	\$134,643	\$138,250	\$139,120	\$144,436
OUTSIDE SERVICES	\$23,771	\$24,807	\$24,092	\$28,990	\$26,400	\$25,670
SUPPLIES	\$1,383	\$1,257	\$15,724	\$18,220	\$17,450	\$18,610
INSURANCES	\$1,743	\$1,679	\$1,670	\$490	\$490	\$411
FRINGE BENEFITS	\$43,341	\$45,169	\$46,237	\$49,390	\$49,720	\$50,800
Total	\$195,897	\$205,312	\$222,365	\$235,340	\$233,180	\$239,927

<u>POSITION TITLE</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</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 contains no significant funding changes.

FINANCE PURCHASING

NOTES
