

Purchasing Committee Report

Orange County/City of Orlando Consolidation of Services Study Commission

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Members

The Purchasing Committee consisted of the following individuals:

- Doug Kelly, Chair
- Don Ammerman
- Cesar Calvet
- Jimmy Goff
- Jim Kallinger

Meeting Schedule and Presenters

The Purchasing Committee (the “Committee”) held its first meeting on August 29, 2005 and met on seven separate occasions, concluding its deliberations on February 6, 2006. A chart compiling the Committee’s schedule of meetings and the presenters is attached as Appendix A.

Side-By-Side Comparisons

A detailed Side-By-Side Comparison of the data presented and considered by the Committee is attached as Appendix B. The data cited in the Side-by-Side Comparison is information provided by either Orange County or the City of Orlando and is not based on any independent calculations or studies prepared by the Committee.

Findings of Fact

The following findings of fact were determined by the Committee to be of significance and are the basis for their conclusions and recommendations:

Purchasing Fact #1 The Committee was impressed with the current level of cooperation and collaboration that exists between the two governments.

Purchasing Fact #2 Orange County’s Purchasing and Contracts Division and the City of Orlando’s Purchasing and Materials Management Division enjoy a long and productive partnership in practically all common areas of purchasing and contracting. While there are differences in the mission of each organization, there are many common areas in which cooperation abounds to the benefit of both entities. This ranges from the sharing of sources and contract clauses to the actual use of the other entity’s contracts.

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Purchasing Fact #3 During the course of this study, each entity provided a detailed documentation of their purchasing contracts. Both the City and County each have approximately 700 term contracts for a wide array of goods, services and construction. The purchases covered by these contracts range from the delivery of bottled water to the repair of major highways. The costs of orders under such contracts may be as little as \$2,500 or up to \$500,000 for highway repairs. Practically all of these contracts can be “piggybacked on” or used by other entities. The term “piggybacking” involves one entity using the terms and price given to another entity for a specific product. Sample savings from the City of Orlando cooperative purchasing are depicted in Table 1 below. The City of Orlando’s Purchasing Department used “contract shopping” among the governmental entity contracts available and picked the contracts with the lowest cost to achieve the 12.8% total savings against the list cost shown in Table 1. The use of each entity’s contracts by the other is a very common occurrence with the result being cost savings due to high volume purchasing, timelier support to customers and reduced administrative costs to the entities. (Source: City of Orlando)

Table 1

CITY OF ORLANDO SAVINGS FROM COOPERATIVE PURCHASING FROM RANDOM PURCHASES (FY 2004/2005)				
PURCHASE	PROCURING ENTITY (that has lead on contract)	GOVERNMENT RETAIL LIST PRICE	AMOUNT OF PURCHASE(S)	AMOUNT OF SAVINGS
Fuel (3 year contract)	Orange County	\$6,825,500	\$6,205,000	\$620,500
Disaster Clean – up	Orange County	\$24,123,478	\$21,841,318	\$2,282,160
Agricultural Chemicals (5 year contract)	SICOP	\$758,520	\$632,100	\$126,420
Various	GSA	\$816,206	\$543,086	\$273,120
Various	Orange County	\$1,014,726	\$844,305	\$170,421
Various	ATF	\$91,649	\$82,484	\$9,165
Various	Florida Sheriffs Association	\$121,968	\$60,984	\$60,984
Various	Orange County Schools	\$6,684,265	\$5,485,325	\$1,198,940
Various	State of Florida	\$2,837,494	\$2,141,185	\$696,309
Various	OUC	\$310,641	\$164,640	\$146,001
TOTAL		\$43,584,447	\$38,000,427	\$5,584,020
SAVINGS PERCENTAGE AGAINST LIST COST				12.8%

Purchasing Fact #4 The Piggybacking concept is formalized with additional entities through the Shared Interest Cooperative Purchasing Group (SICOP). SICOP currently includes purchasing representatives from Orange, Seminole, Osceola, Lake, Volusia and Brevard counties as well as a number of cities within these counties, including the City of Orlando. The primary focus of the organization is to analyze common procurements to determine if economic benefit may be gained by combining each entity’s requirements into a cooperative purchasing effort. To this end, an entity is designated the lead responsible for the solicitation and award of a contract which will be

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used by all other members. Currently, SICOP has four contracts in effect: herbicides, chlorine cylinders, rental of work uniforms, and supply of gasoline and diesel fuel.

SICOP has recently asked both Orange County and the City of Orlando to lead the SICOP committee that identifies and pursues new potential contracts that SICOP should establish.

Purchasing Fact #5 As important as the cost savings is the networking and information sharing among SICOP members at meetings and through other communications that promote continued cooperation. Information on matters such as contractor performance, pricing, product availability, etc., is routinely shared to the benefit of all members.

Purchasing Fact #6 The level of cooperation between the City and the County is bolstered by the fact that both belong to and are active participants in the major national and state professional purchasing associations. The preeminent statewide professional purchasing organization is the Florida Association of Public Purchasing Officers (FAPPO). FAPPO, with more than 1,000 members, and the National Institute of Governmental Purchasing, with more than 10,000 members worldwide, share a common mission to foster the professional development and certification of purchasing personnel. Consequently, both organizations sponsor various training classes and seminars to maintain proficiency and to prepare for certification testing. Training and certification are two key indicators of the capability of a professional contracting staff. Both purchasing organizations place a high premium on maintaining a highly professional workforce. A testament to this commitment is the fact that 82% of the County's purchasing workforce and the 80% of City's purchasing workforce are certified.

Purchasing Fact #7 The city and the county's purchasing operations enjoy not only a strong and cooperative working relationship but also are active participants in regional, state and national purchasing alliances and organizations that contribute significantly to the overall effectiveness of their ability to accomplish their respective missions.

Purchasing Fact #8 In the interest of continuous process improvement, both Orange County and the City of Orlando seek feedback from suppliers as to how the suppliers view government purchasing processes and how they would suggest that the processes be improved. Orange County surveys its suppliers every three to five years. The County has recently completed a survey that consisted of individual interviews with 30 Architecture and Engineer (A&E) firms. The A&E firms reported that they were 90% satisfied with the County's contracting process. The City of Orlando has a protest process and an open door policy for suppliers. Although the County and the City pay within the allowed payment periods, the biggest complaint that suppliers have with both entities is the lack of what many suppliers feel is prompt payment.

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Purchasing Fact #9 Process improvement is accomplished by both purchasing departments mainly by involvement in professional organizations and the process of applying for professional association awards. Through involvement in professional organizations and attendance at conferences, participants get feedback concerning their processes, stay on the cutting edge of their profession, and learn of best practices in purchasing and contracting. By going through the intricate process of preparing an award application, the departments make improvements to their policies and processes gleaned from the award criteria. Both entities have received agency accreditation for the past five (5) years from the National Purchasing Institute (NPI) and the National Institute of Governmental Purchasing (NIGP). Orange County and the City of Orlando have also implemented performance measures such as measuring and tracking the “length of time” each designated action takes.

Purchasing Fact #10 The role of the Orange County Comptroller, an independent and elected constitutional officer, presents both functional and legal impediments to any discussion of consolidation. The main issues revolve around the Comptroller’s responsibilities relating to finance, which include the auditing of County purchases before payments are made as well as providing accounting services for the County. These functions are performed with the assistance of the Comptroller’s financial software package that integrates the purchasing function into the budgeting, accounting, and fixed asset inventory functions. These functions are intertwined in the entire budgetary process for all Orange County departments and provide continuing checks and balances throughout the entire system.

Purchasing Fact #11 Orange County and the City of Orlando provide direct purchases of materials for large construction projects thereby saving the taxpayers any applicable sales taxes. If the contractor purchased the items directly and then received reimbursement by the County or City, an additional 6% of the material expenditures would have been added to the cost.

Purchasing Fact #12 All City and County contracts are available to the public on line for review.

Purchasing Fact #13 The City of Orlando’s contract broadcast of Requests For Proposals (RFP) to advertise a new RFP costs the City nothing, as a business must subscribe to the service (\$30.00 fee).

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Conclusions

Based upon testimony received by the Committee members during its various meetings, the Committee unanimously adopted the six conclusions that follow at their meeting held on February 6, 2006:

Purchasing Conclusion #1 There is a significant amount of ongoing cooperation between the two jurisdictions (e.g. bulk purchasing) that has provided impressive savings for both jurisdictions. We found no indication of any significant additional fiscal savings that might be achieved through consolidation.

Purchasing Conclusion #2 Both jurisdictions have made significant investments in their financial management systems. These systems are not compatible, and it would require a major financial investment to create an interface between the two systems. Such an interface would have to be updated with all modifications and/or upgrades done by each department or division within the County and City. Additionally, the financial systems of each jurisdiction are deeply intertwined with their unique cross-departmental internal operations, making it extraordinarily expensive to extricate those interfaces in an effort to consolidate.

Purchasing Conclusion #3 The role of the office of County Comptroller is embedded in the state constitution. As the chief financial officer for the County, it appears that the functions provided by this office on behalf of the County cannot be consolidated with functions performed by the City's financial office which is not subject to both state legislation and provisions of the Orange County charter.

Purchasing Conclusion #4 The salary, benefits and retirement plans of the two organizations are substantially different. Combining the two would require renegotiation of union contracts resulting in additional costs to both jurisdictions. It is difficult to ascertain if or when there would be any fiscal or services efficiencies realized.

Purchasing Conclusion #5 The MWBE offices have a small staff (four for the City, nine for the County) charged with the certification processing, contract administration and enforcement. The County has 3 staff members dedicated solely to field inspections. The committee determined that consolidation of these departments would not provide any efficiency of costs or services. Each operates under different ordinances and board oversight. However, a coordinated certification process is deemed to be both possible and positive for both organizations.

Purchasing Conclusion #6 There is no value added to the purchasing process by current procedures that require for a review of proposed purchases above \$100,000 by the Board of County Commissioners or a review of proposed purchases above \$50,000 by the City of Orlando Council. The vast majority of these proposed purchases are approved by consent agenda. Raising the purchasing authority to a higher dollar

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level would simplify the purchasing process for the vast majority of purchases now reviewed and speed up the purchasing process.

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Recommendations

Consolidation of the Orange County City of Orlando purchasing departments was studied for efficiencies in service delivery, economies of scale, opportunities for enhanced intergovernmental cooperation and other related issues. The Committee recommends that the Study Commission adopt the following recommendations for further consideration by both the County and the City:

Purchasing Recommendation # 1

That because the Committee found that neither efficiencies in service delivery nor economies of scale would result from the consolidation of services, and because bigger is not necessarily better, neither the Purchasing Departments of Orange County and City of Orlando nor their services should be consolidated.

Purchasing Recommendation # 2

That Orange County and the City of Orlando develop a “One-Stop” application process for Minority/Women Business Enterprise (M/WBE) businesses where technology would allow the County and the City to access and share application data. Applicants could apply 24 hours a day, seven days a week over the Internet.

Purchasing Recommendation # 3

That Orange County adopt a proactive method such as the City of Orlando’s contract broadcast of Requests For Proposals (RFP) to advertise RFPs.

Purchasing Recommendation # 4

That Orange County and the City of Orlando develop potential expansion opportunities for the Shared Interest Cooperative Purchasing Group to benefit both entities.

Purchasing Recommendation # 5

That Orange County and the City of Orlando authorize the delegation of purchase authority at a higher dollar level, more in line with the cost of goods and services purchased, to speed and simplify the purchasing process.

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Appendixes

APPENDIX A, MEETING SCHEDULE AND PRESENTERS, to the Purchasing Committee Report

APPENDIX B, PURCHASING ENTITIES SIDE-BY-SIDE COMPARISON, to the Purchasing Committee Report

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APPENDIX A, MEETING SCHEDULE AND PRESENTERS, to the Purchasing Committee Report

PURCHASING COMMITTEE MEETING DATE	PRESENTER(S)	FORMAL PRESENTATION(S)
August 29, 2005	Johnny Richardson - Manager, Orange County Purchasing; Jon Mead - City of Orlando Purchasing Director; Kevin Walsh - MBE Officer/City of Orlando Assistant Purchasing Director	Orange County Purchasing and Contracts Division Presentation; City of Orlando Division of Purchasing and Materials Management Presentation
September 19, 2005	Alan Oyler - City of Orlando Public Works Director	City of Orlando Public Works Procurement Presentation
October 4, 2005	Warren Geltch – Orange County Administrative Services Director, Johnny Richardson – Orange County Purchasing Manager, Jon Mead – City of Orlando Purchasing Director, Kevin Walsh – City of Orlando Assistant Purchasing Director	Orange County Comments on obstacle to consolidation of City and County purchasing departments; City of Orlando Comments on impediments to consolidation of purchasing offices
October 18, 2005	Warren Geltch – Orange County Administrative Services Director, Jon Mead – City of Orlando Purchasing Director, Kevin Walsh – City of Orlando Assistant Purchasing Director	
December 7, 2005	Johnny Richardson – Orange County Purchasing Manager, Fitz Long – Orange County Business Development Manager, Jon Mead – City of Orlando Purchasing Director, Kevin Walsh – City of Orlando Assistant Purchasing Director	
January 4, 2006	Committee Discussion	
February 6, 2006	Committee Discussion	

**APPENDIX B, PURCHASING ENTITIES SIDE-BY-SIDE COMPARISON, to the
Purchasing Committee Report**

ORANGE COUNTY	CITY OF ORLANDO																
<u>ORGANIZATION</u>	<u>ORGANIZATION</u>																
<p>DEPARTMENT: <u>Administrative Services</u> DIVISION: Purchasing & Contracts Division MANAGER: Johnny Richardson SERVICES PROVIDED:</p> <ul style="list-style-type: none"> • Procurements & Specifications • Encumbrances & Releases • Contracts Administration <p>DIVISION: Business Development Division MANAGER: Fitzhugh Long SERVICES PROVIDED:</p> <ul style="list-style-type: none"> • Field investigations • Contract Compliance • Business Assistance • Marketing/Outreach 	<p>DEPARTMENT: <u>General Administration</u> DIVISION: Purchasing & Materials Management MANAGER: Jon Mead SERVICES PROVIDED:</p> <ul style="list-style-type: none"> • Purchasing of goods & services including professional services • Contract Administration • Develop and establish standards & specifications for all City departments <p>DEPARTMENT: <u>Public Works</u> DIVISION: Capital Improvement MANAGER: Thomas Connery SERVICES PROVIDED:</p> <ul style="list-style-type: none"> • Engineering design • Survey (through annual contract) • Continuing service contract administration • Project and construction management for all Capital Improvement Projects • Select and manage all professional service vendor contracts (i.e. architect, engineer, etc.) 																
<u>2005 STAFF</u>	<u>2005 STAFF</u>																
PROFESSIONALS	PROFESSIONALS																
<table border="1"> <thead> <tr> <th>DIVISION</th> <th>NUMBER OF EMPLOYEES</th> </tr> </thead> <tbody> <tr> <td>Purchasing and Contracts</td> <td style="text-align: right;">22</td> </tr> <tr> <td>Business Development</td> <td style="text-align: right;">7</td> </tr> <tr> <td>TOTAL Professionals</td> <td style="text-align: right;">29</td> </tr> </tbody> </table>	DIVISION	NUMBER OF EMPLOYEES	Purchasing and Contracts	22	Business Development	7	TOTAL Professionals	29	<table border="1"> <thead> <tr> <th>DIVISION</th> <th>NUMBER OF EMPLOYEES</th> </tr> </thead> <tbody> <tr> <td>Purchasing and Materials Management</td> <td style="text-align: right;">16</td> </tr> <tr> <td>Capital Improvement</td> <td style="text-align: right;">10</td> </tr> <tr> <td>TOTAL Professionals</td> <td style="text-align: right;">26</td> </tr> </tbody> </table>	DIVISION	NUMBER OF EMPLOYEES	Purchasing and Materials Management	16	Capital Improvement	10	TOTAL Professionals	26
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COVERED BY COLLECTIVE BARGAINING	COVERED BY COLLECTIVE BARGAINING (see tables at end of appendix)																
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<u>FINANCIAL INFORMATION</u>	<u>FINANCIAL INFORMATION</u>																
<p>PAY PLAN: Orange County Pay Plan BENEFITS PLAN: Orange County Benefit Plan</p>	<p>PAY PLAN: City of Orlando Pay Scale BENEFITS PLAN: City of Orlando Benefits Plan</p>																

Note: These data are not exactly comparable because of variability of accounting, organizational structure, and services provided.

APPENDIX B, PURCHASING ENTITIES SIDE-BY-SIDE COMPARISON, to the Purchasing Committee Report

ORANGE COUNTY	CITY OF ORLANDO
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<p style="text-align: center;"><u>OPERATIONAL DATA</u></p> <p>PURCHASING AND CONTRACTS DIVISION</p> <ul style="list-style-type: none"> CUSTOMER SATISFACTION: SAT+ NUMBER OF DEPARTMENTS SUPPORTED: 9 NUMBER OF COUNTY EMPLOYEES SUPPORTED: 6,000 <p>BUSINESS DEVELOPMENT DIVISION</p> <ul style="list-style-type: none"> CUSTOMER SATISFACTION (2): SAT+ NUMBER OF DEPARTMENTS SUPPORTED: 9 NUMBER OF COUNTY EMPLOYEES SUPPORTED: 6,000 <p>PAID PURCHASING STAFF TO SUPPORTED STAFF: 0.0037 (purchasing staff [29] divided by number of supported staff [7783])</p> <p>PAID PURCHASING STAFF PER 1,000 RESIDENTIAL POPULATION: 0.0278 (purchasing staff [29] divided by total county residential population [1,043,000] multiplied by 1,000) OR 0.0428 (purchasing staff [29] divided by county unincorporated area residential population [677,185] multiplied by 1,000)</p> <p>PAID PURCHASING STAFF COST PER CAPITA FOR SUPPORTED STAFF: \$212.68 (employee salaries, overtime, and benefits total [\$1,655,260] divided by number of supported staff [7,783])</p> <p>PAID PURCHASING STAFF COST PER CAPITA FOR RESIDENTIAL POPULATION: \$1.59 (employee salaries, overtime, and benefits total [\$1,655,260] divided by total county residential population [1,043,209]) OR \$2.44 (employee salaries, overtime, and benefits total [\$1,655,260] divided by county unincorporated area residential population [677,185])</p> <table border="1" style="width: 100%; text-align: center;"> <thead> <tr> <th colspan="4">WORKLOAD DATA</th> </tr> <tr> <th>Measure</th> <th>FY 2003</th> <th>FY 2004</th> <th>FY 2005</th> </tr> </thead> <tbody> <tr> <td>Number of annual contracts administered:</td> <td>560</td> <td>621</td> <td>700</td> </tr> <tr> <td>Number of Invitation or Bids issued:</td> <td>200</td> <td>206</td> <td>198</td> </tr> <tr> <td>Number of Requests for Proposals issued</td> <td>78</td> <td>76</td> <td>81</td> </tr> </tbody> </table>	WORKLOAD DATA				Measure	FY 2003	FY 2004	FY 2005	Number of annual contracts administered:	560	621	700	Number of Invitation or Bids issued:	200	206	198	Number of Requests for Proposals issued	78	76	81	<p style="text-align: center;"><u>OPERATIONAL DATA</u></p> <p>PURCHASING AND MATERIALS MANAGEMENT</p> <ul style="list-style-type: none"> CUSTOMER SATISFACTION: 82% (good or better) NUMBER OF DEPARTMENTS SUPPORTED: 13 NUMBER OF CITY EMPLOYEES SUPPORTED: 3158 <p>CAPITAL IMPROVEMENT DIVISION</p> <ul style="list-style-type: none"> CUSTOMER SATISFACTION: No data NUMBER OF DEPARTMENTS SUPPORTED: 13 NUMBER OF CITY EMPLOYEES SUPPORTED: 3158 <p>PAID PURCHASING STAFF TO SUPPORTED STAFF: 0.0168 (purchasing staff [53] divided by number of supported staff [3,158])</p> <p>PAID PURCHASING STAFF PER 1,000 RESIDENTIAL POPULATION: 0.2442 (purchasing staff [53] divided by residential population [217,327] multiplied by 1,000)</p> <p>PAID PURCHASING STAFF COST PER CAPITA FOR SUPPORTED STAFF: \$1,022.30 (employee salaries, overtime, and benefits total [\$3,228,420] divided by number of supported staff [3,158])</p> <p>PAID PURCHASING STAFF COST PER CAPITA FOR RESIDENTIAL POPULATION: \$14.86 (employee salaries, overtime, and benefits total [\$3,228,420] divided by residential population [217,327])</p> <table border="1" style="width: 100%; text-align: center;"> <thead> <tr> <th colspan="4">WORKLOAD DATA</th> </tr> <tr> <th>Measure</th> <th>FY 2003</th> <th>FY 2004</th> <th>FY 2005</th> </tr> </thead> <tbody> <tr> <td>Number of annual contracts administered:</td> <td>830</td> <td>880</td> <td>850 (est.)</td> </tr> <tr> <td>Number of Invitation or Bids issued:</td> <td>300</td> <td>346</td> <td>480 (est.)</td> </tr> <tr> <td>Number of Requests for Proposals issued</td> <td>22</td> <td>21</td> <td>25 (est.)</td> </tr> </tbody> </table>	WORKLOAD DATA				Measure	FY 2003	FY 2004	FY 2005	Number of annual contracts administered:	830	880	850 (est.)	Number of Invitation or Bids issued:	300	346	480 (est.)	Number of Requests for Proposals issued	22	21	25 (est.)
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APPENDIX B, PURCHASING ENTITIES SIDE-BY-SIDE COMPARISON, to the Purchasing Committee Report

ORANGE COUNTY	CITY OF ORLANDO
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CONTRACT DOLLARS (in millions) BY CONTRACT TYPE			
Type	FY 2003	FY 2004	FY 2005
Construction	\$280	\$264	\$220
A-E	\$12	\$20	\$9
Goods and services	\$185	\$217	\$336
TOTAL	\$477	\$501	\$565

FINANCIAL MANAGEMENT SYSTEM:

Advantage Financial System

- **Interface:** interfaces with 12 other major county systems
- **Number of trained users:** 400

PURCHASING CARD PROGRAM:

P-Card Program

- **Number issued:** 700
- **Purchasing authority:**
 - **Per transaction:** \$1,500
 - **Per month:** \$37,500
- **FY 2004 purchase total:** \$11,000,000
- **FY 2005 purchase total:** \$15,000,000

CONTRACT DOLLARS (in millions) BY CONTRACT TYPE			
Type	FY 2003	FY 2004	FY 2005
Construction	N/A	N/A	95.5
A-E	N/A	N/A	9.5
Goods and services	N/A	N/A	N/A
TOTAL	N/A	N/A	105

FINANCIAL MANAGEMENT SYSTEM:

J. D. Edwards

- **Interface:** Infinium
- **Number of trained users:** 450

PURCHASING CARD PROGRAM:

Pro Card Program

- **Number issued:** 200-300
- **Purchasing authority:**
 - **Per transaction:** \$5,000
 - **Per month:** up to \$150,000
- **FY 2003 purchase total:** \$6,484,000
- **FY 2004 purchase total:** \$7,042,000
- **FY 2005 purchase total:** \$5,924,000 (3 quarters)

FY 2005 purchase total: \$7,899,000 (est. For year)

(See end of Appendix V.5.B for expenditure information broken down in the following categories: Purchase Order Dollars, Annual Contract Dollars, and Professional Contract Dollars)

Note: These data are not exactly comparable because of variability of accounting, organizational structure, and services provided.

APPENDIX B, PURCHASING ENTITIES SIDE-BY-SIDE COMPARISON, to the Purchasing Committee Report

ORANGE COUNTY	CITY OF ORLANDO
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PERFORMANCE MEASURES				
Measure	Standard	FY 2003 Results	FY 2004 Results	FY 2005 Results
Dollar amount of purchases	N/A	\$477	\$501	\$565
Cost to process one commodity or service purchase	N/A		\$1.00	<\$1.00
Cost to process one contract management transaction			\$11.00 (architect-engineer services)	\$20.00 (architect-engineer services)
Cost to process one Public Works Award			\$1.00 (construction)	<\$1.00
Purchase Orders processed within 5 days	N/A	N/A	N/A	N/A
Ensure MBE/WBE participation	<u>Goods</u> - 10%, <u>Construction</u> - 25%, <u>Prof A&E Services</u> - 24%, <u>General Services</u> - 24%	<u>Goods</u> - 4.8%, <u>Construction</u> - 24.2%, <u>Prof A&E Services</u> - 26.7%, <u>General Services</u> - NA	<u>Goods</u> - 1.13%, <u>Construction</u> - 14.9%, <u>Prof A&E Services</u> - 30.5%, <u>General Services</u> - 4.3%	<u>Goods</u> - 1.32%, <u>Construction</u> - 15.4%, <u>Prof A&E Services</u> - 27%, <u>General Services</u> - 4.4%
Dollar amount of purchases made/year per FTE (thousands)			\$17,300	\$19,500
Cost to add a Capital Asset to system				

OTHER FUNCTIONS AND RESPONSIBILITIES:
None

PERFORMANCE MEASURES				
Measure	Standard	FY 2003 Result	FY 2004 Result	FY 2005 Result
Dollar amount of purchases	NA	See above	See above	See above
Cost to process one commodity or service purchase	\$30.00	\$29.84	\$30.25	\$27.35 (est.)
Cost to process one contract management transaction	\$19.15	\$10.57	\$10.56	\$11.47 (est.)
Cost to process one Public Works Award	\$91.65	\$89.66	\$85.00	\$80.34 (est.)
Purchase Orders processed within 5 days	92%	90%	93%	95% (est.)
Ensure MBE/WBE participation	MBE - 18%, WBE - 7%	100%	100%	100% (est.)
Percent of original purchase price of vehicle recovered	15%	20%	13%	16% (est.)
Percent of non stock items turned around within 24 hours	90%	87%	92%	88% (est.)
City Store Stock Items fulfilled within 4 hours	95%	90%	92%	95% (est.)
City Stores inventory turn over ratio	1:4	1:4	1:4	1:4
Dollar amount of purchases made/year per FTE	N/A	\$4,886,000	\$6,107,000	\$7,478,000
Cost to add a Capital Asset to system	\$18.66	\$20.00	\$20.71	\$16.72 (est.)
Cost to process a piece of mail	\$0.08	\$0.08	\$0.06	\$0.06

PURCHASING AND MATERIALS MANAGEMENT DIVISION OTHER FUNCTIONS AND RESPONSIBILITIES:

Management of:

- Property Control
- Vehicle Parts Supply
- Facilities Management Supply
- Mail Services and inter-office mail services, shipping and courier services
- M/WBE Program
- Maintains 18 fuel distribution centers

Note: These data are not exactly comparable because of variability of accounting, organizational structure, and services provided.

APPENDIX B, PURCHASING ENTITIES SIDE-BY-SIDE COMPARISON, to the Purchasing Committee Report

ORANGE COUNTY	CITY OF ORLANDO
<p>PROCUREMENT ORDINANCE(S):</p> <ul style="list-style-type: none"> • Procurement Ordinance 92-26 <p>PURCHASING PERSONNEL PER SUPPORTED EMPLOYEE: 0.006</p> <p style="text-align: center;"><u>PARTNERSHIPS/AGREEMENTS</u></p> <p>PURCHASING AND CONTRACTS DIVISION PARTNERSHIPS WITH OTHER ORGANIZATIONS: None</p> <p>BUSINESS DEVELOPMENT DIVISION PARTNERSHIPS WITH OTHER ORGANIZATIONS:</p> <ul style="list-style-type: none"> • Black Business Investment Fund • Hispanic Business Initiative Fund • MWBE Alliance • National Entrepreneur Center • National Minorities Supply Development Council • Orlando-Orange County Expressway Authority • Disney World • Universal Studios • Small Business Administration • Valencia Community College • Florida Office of Supplier Diversity • Orlando Airport Authority • Orange County Public Schools • University of Central Florida • Orlando Utilities Commission <p>PURCHASING AND CONTRACTS DIVISION DIFFERENCES WITH CITY OF ORLANDO:</p> <ul style="list-style-type: none"> • Procurement Committee. The Procurement Committee meets formally to evaluate proposals for goods and services in excess of \$100,000. The Committee is chaired by the Manager, Purchasing and Contracts Division with other representatives, including a county commissioner • Very strong anti-lobbying ordinance 	<ul style="list-style-type: none"> • Conducts auctions • Standards and specifications engineering services <p>CAPITAL IMPROVEMENT DIVISION OTHER FUNCTIONS AND RESPONSIBILITIES:</p> <ul style="list-style-type: none"> • Fiscal management for Public Works Department • Process and pay all engineering and construction project expenditures (\$95.5M) <p>PROCUREMENT ORDINANCE(S):</p> <ul style="list-style-type: none"> • Chapter 7 of City Code, City of Orlando Purchasing Code • Section 133.1 City Policy and Procedures • Section 133.2, City Policy and Procedures • 1000 Series Policy and Procedures <p>Chapter 57 of City Code, Articles II and III</p> <p>PURCHASING PERSONNEL PER SUPPORTED EMPLOYEE: 0.017</p> <p style="text-align: center;"><u>PARTNERSHIPS/AGREEMENTS</u></p> <p>PARTNERSHIPS WITH OTHER ORGANIZATIONS:</p> <ul style="list-style-type: none"> • Black Business Investment Fund • Hispanic Business Initiative Fund • MWBE Alliance • National Entrepreneur Center • National Minorities Supply Development Council • Orlando-Orange County Expressway Authority • Disney World • Universal Studios • Small Business Administration • Valencia Community College • Florida Office of Supplier Diversity • Orlando Airport Authority • Orange County Public Schools • University of Central Florida • Orlando Utilities Commission <p>PURCHASING AND MATERIALS MANAGEMENT DIFFERENCES WITH ORANGE COUNTY:</p> <ul style="list-style-type: none"> • Procures goods and services for law enforcement, water treatment facilities and parts of Public Works • Auctions surplus property (this function is performed by the Comptrollers Office in Orange County) • Management of: <ul style="list-style-type: none"> ○ Property Control ○ Vehicle Parts Supply ○ Facilities Management Supply ○ Mail Services and inter-office mail services, shipping and courier services ○ M/WBE Program ○ Maintains 18 fuel distribution centers ○ Conducts auctions

Note: These data are not exactly comparable because of variability of accounting, organizational structure, and services provided.

APPENDIX B, PURCHASING ENTITIES SIDE-BY-SIDE COMPARISON, to the Purchasing Committee Report

ORANGE COUNTY	CITY OF ORLANDO																																																																
<p>BUSINESS DEVELOPMENT DIVISION DIFFERENCES WITH CITY OF ORLANDO:</p> <ul style="list-style-type: none"> • Certify companies based on size and their geographic location (i.e. in the Orlando SMA) • Monitor MWBEs. When they become viable businesses, they are graduated and can then only participate on big jobs • Business Development sits on Procurement Committee • Business Development Division does outreach <p>PURCHASING AND CONTRACTS DIVISION COOPERATIVE EFFORTS</p> <ul style="list-style-type: none"> • Pools requirements with City when bidding large term contracts • Uses cooperative purchasing agreements via local chapter of National Institute of Government Purchasing and SICOP, other counties, School Boards, Florida state contracts, and Federal GSA contracts <p>BUSINESS DEVELOPMENT DIVISION COOPERATIVE EFFORTS:</p> <ul style="list-style-type: none"> • Gives reciprocity to City of Orlando MWBEs as long as the MWBEs meet the other Orange County requirements 	<ul style="list-style-type: none"> ○ Standards and specifications engineering services <p>CAPITAL IMPROVEMENT DIVISION DIFFERENCES WITH ORANGE COUNTY:</p> <ul style="list-style-type: none"> • Public Works solicits bids and manages selection process for capital improvement projects, and administers all of the preconstruction phase (design) of the project • Fiscal management for Public Works Department • Process and pay all engineering and construction project expenditures (\$95.5M) <p>PURCHASING AND MATERIALS MANAGEMENT COOPERATIVE EFFORTS:</p> <ul style="list-style-type: none"> • Pools requirements with Orange County when bidding large term contracts • Uses cooperative purchasing agreements via local chapter of National Institute of Government Purchasing, SICOP, Orange County and/or other counties, School Boards, Florida state contracts, and Federal GSA contracts <p>ADDITIONAL COLLECTIVE BARGAINING INFORMATION</p> <table border="1" data-bbox="873 1213 1481 1619"> <thead> <tr> <th colspan="4">PURCHASING AND MATERIALS MGMT WORKFORCE COVERED BY COLLECTIVE BARGAINING</th> </tr> <tr> <th>Section</th> <th>Permanent Employees</th> <th>Covered</th> <th>Non-Covered</th> </tr> </thead> <tbody> <tr> <td>General Administration</td> <td>4</td> <td>0</td> <td>4</td> </tr> <tr> <td>Purchasing</td> <td>16</td> <td>16</td> <td>0</td> </tr> <tr> <td>Minority/Women Owned Business Enterprise</td> <td>4</td> <td>4</td> <td>0</td> </tr> <tr> <td>Fleet and Facilities Support</td> <td>9</td> <td>9</td> <td>0</td> </tr> <tr> <td>Property Control</td> <td>3</td> <td>3</td> <td>0</td> </tr> <tr> <td>Mail Services</td> <td>2</td> <td>2</td> <td>0</td> </tr> <tr> <td>Auctions</td> <td></td> <td></td> <td></td> </tr> <tr> <td>TOTAL:</td> <td>38</td> <td>34</td> <td>4</td> </tr> </tbody> </table> <table border="1" data-bbox="873 1644 1481 1839"> <thead> <tr> <th colspan="4">CAPITAL IMPROVEMENTS AND INFRASTRUCTURE WORKFORCE COVERED BY COLLECTIVE BARGAINING</th> </tr> <tr> <th>Section</th> <th>Permanent Employees</th> <th>Covered</th> <th>Non-Covered</th> </tr> </thead> <tbody> <tr> <td>Admin</td> <td>5</td> <td>3</td> <td>2</td> </tr> <tr> <td>Project Engineering</td> <td>6</td> <td>6</td> <td>0</td> </tr> <tr> <td>Construction</td> <td>3</td> <td>0</td> <td>3</td> </tr> <tr> <td>Design</td> <td>1</td> <td>0</td> <td>1</td> </tr> </tbody> </table>	PURCHASING AND MATERIALS MGMT WORKFORCE COVERED BY COLLECTIVE BARGAINING				Section	Permanent Employees	Covered	Non-Covered	General Administration	4	0	4	Purchasing	16	16	0	Minority/Women Owned Business Enterprise	4	4	0	Fleet and Facilities Support	9	9	0	Property Control	3	3	0	Mail Services	2	2	0	Auctions				TOTAL:	38	34	4	CAPITAL IMPROVEMENTS AND INFRASTRUCTURE WORKFORCE COVERED BY COLLECTIVE BARGAINING				Section	Permanent Employees	Covered	Non-Covered	Admin	5	3	2	Project Engineering	6	6	0	Construction	3	0	3	Design	1	0	1
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**APPENDIX B, PURCHASING ENTITIES SIDE-BY-SIDE COMPARISON, to the
Purchasing Committee Report**

ORANGE COUNTY	CITY OF ORLANDO			
	TOTAL:	15	9	6
ADDITIONAL EXPENDITURE INFORMATION				
<ul style="list-style-type: none"> • PURCHASE ORDER DOLLARS (Oct through Sep) <ul style="list-style-type: none"> ○ FY 2003: \$18,350,000 ○ FY 2004: \$12,408,000 ○ FY 2005: \$19,073,000 (3 quarters) ○ FY 2005: \$25,431,000 (est. for year) • ANNUAL CONTRACT DOLLARS (Oct through Sep) <ul style="list-style-type: none"> ○ FY 2003: \$53,346,000 ○ FY 2004: \$75,015,000 ○ FY 2005: \$64,508,000 (3 quarters) ○ FY 2005: \$86,010,000 (est. for year) • PROFESSIONAL CONTRACT DOLLARS <ul style="list-style-type: none"> ○ FY 2005: \$9,500,000 (est. for year) 				

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