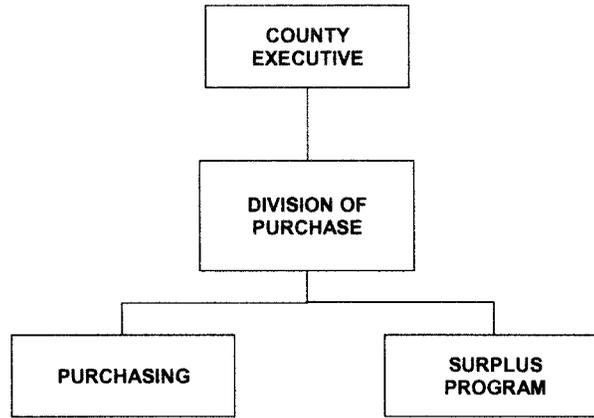


# DIVISION OF PURCHASE



| DIVISION OF PURCHASE | 2010<br>Actual   | 2011<br>Adopted  | 2011<br>Adjusted | 2012<br>Adopted  |
|----------------------|------------------|------------------|------------------|------------------|
| Personal Services    | 541,395          | 515,962          | 515,962          | 500,282          |
| Other                | <u>(541,196)</u> | <u>(515,962)</u> | <u>(514,962)</u> | <u>(620,282)</u> |
| Total Appropriation  | 199              | 0                | 1,000            | (120,000)        |
| Revenue              | 463,075          | 235,600          | 235,600          | 240,600          |
| County Share         | (462,876)        | (235,600)        | (234,600)        | (360,600)        |

## **DESCRIPTION**

The Division of Purchase is the central purchasing agent for county government for the procurement of contracts for supplies, equipment and services.

The Division establishes and enforces standard specifications regarding supplies, materials, equipment and services. It is responsible for maintaining a bid procedure that is open and competitive and ensures that every vendor has an inherent right to be considered in an equitable manner for the receipt of an award. Purchase contracts are awarded to the lowest responsible bidder, except as specifically excluded by law.

The storage, transfer, sale and inventory of surplus or obsolete materials and equipment are managed by the Surplus Division. When necessary, the Division of Purchase provides emergency event support for the County of Erie and political subdivisions. Costs incurred to provide centralized purchasing services are included in the interdepartmental and interfund charges administered by the Budget Division.

## **MISSION STATEMENT**

The Purchasing Division provides a centralized system for the procurement of goods and services, management of surplus property and emergency event support for the County of Erie and authorized political subdivisions in the most economical, transparent and efficient manner.

## **PURCHASING**

### **Program Description**

Centralized purchasing agent for County departments.

### **Program and Service Objectives**

- Comply with federal, state and county procurement/contracting laws governing the expenditure of public dollars.
- Establish and maintain a central purchasing system through the usage of SAP, bidding process, vendor database.
- Establish and enforce standard specifications for supplies, materials equipment and services.

### **Top Priorities for 2012**

- Provide timely responsive support to departments and vendors.
- Continue to consolidate and standardize countywide bids to further reduce variance amongst departments and reduce time and expense of issuing multiple bids.
- Continue enrolling equipment in the Equipment Maintenance Program to further establish service database that can be utilized to provide data for equipment replacement and future procurement.
- Monitor vendor performance to insure accountability and quality specified in bids.

### **Key Performance Indicators**

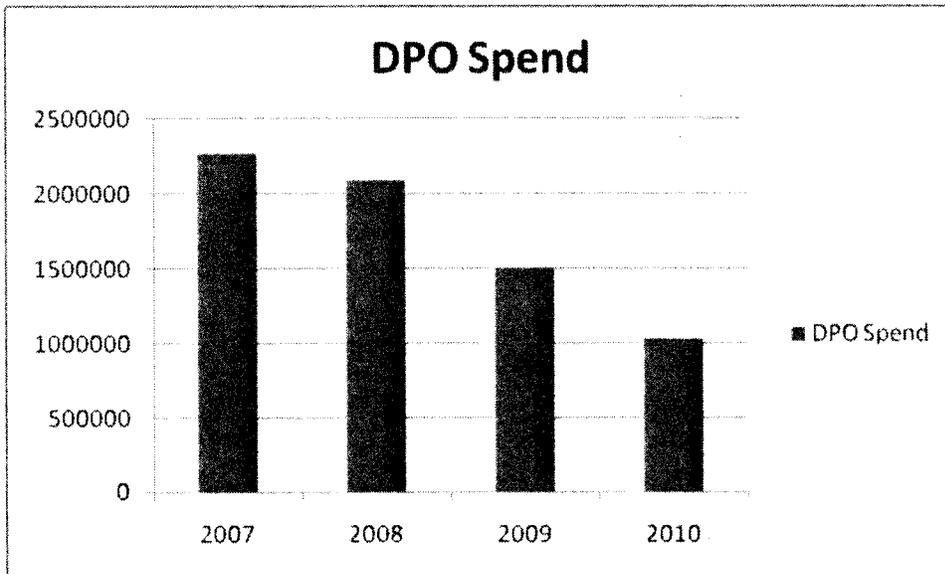
- Continuous reduction of Department Purchase Order spending.
- Create greater economies of scale.

### **Outcome Measures**

- Show a savings to taxpayers by securing pricing via competitive bids.

### **Performance Goals**

- Reduce prices paid for same items purchased independently by department versus power buys.



## SURPLUS PROGRAM

### Program Description

In accordance with Erie County Charter, oversee and coordinate inventory of surplus or obsolete materials and equipment.

### Program and Service Objectives

- Maximize revenues from the sale of surplus equipment, vehicles and supplies.
- Provide user-friendly options for county departments to view surplus inventory.

### Top Priorities for 2012

- Redeploy Surplus inventory within County Departments whenever practical.
- Increase revenue received for items auctioned.

### Key Performance Indicators

- Warehouse auctions, surplus vehicle and equipment auctions, recycling of scrap metals and paper.

### Outcome Measures

- Revenue generated by auctions and recycling.
- Customer satisfaction with response for surplus requests.

### Performance Goals

- Compare revenue generated for items sold via on-line auction site vs. live auctions to determine which venue brings in the highest prices.

# ON-LINE SURPLUS AUCTION

## PERFORMANCE BASED BUDGETING

### DESIRED OUTCOME

Increase revenue generated for surplus items sold by expanding bidding audience.

### BALANCED SCORECARD – FOUR PERSPECTIVES

**Customer:** Consumers of surplus items, municipalities, taxpayers and county departments.

**Goal:** Expand bidding audience by providing convenience of on-line bidding that can be conducted 24/7 without geographical restrictions.

**Outcome:** The current on-line auction firm has 14,844 bidders from multiple states able to bid on Erie County surplus items. Items have been purchased from bidders located in Michigan, NYC and New Jersey.

**Internal Business:** Consistently provide a wide scope of quality products to maintain constant interest by bidding audience.

**Goal:** Provide a quality product for sale without cannibalizing or damaging goods by transporting.

**Outcome:** On-line auctions provide a continuous supply of items at various locations within the County.

**Innovation & Learning:** Research sale of comparable items on other on-line sites such as e-bay to insure Erie County is receiving the appropriate revenue for auction items.

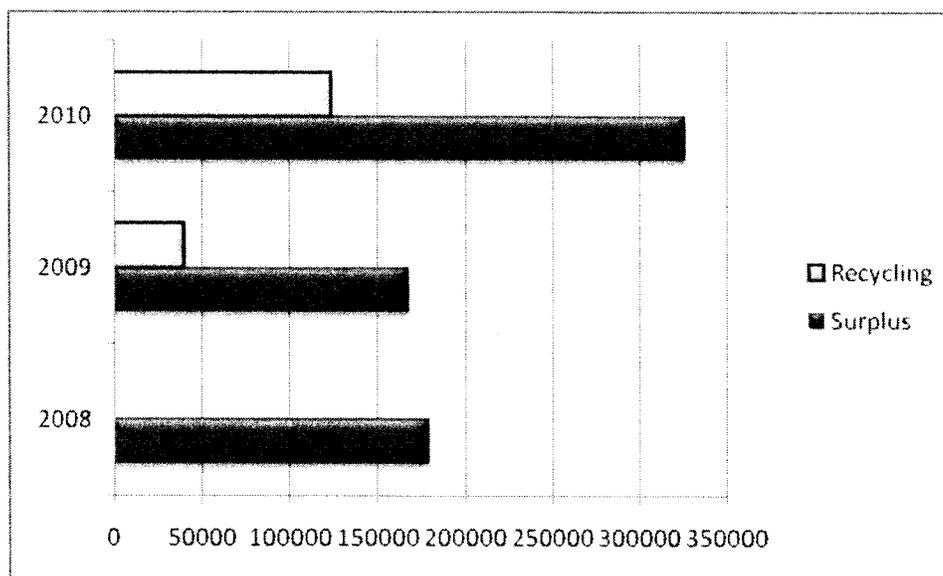
**Goal:** Work with experienced auctioneers to clearly identify items on auction site that should fetch higher results.

**Outcome:** Items such as Hermann Miller chairs are clearly identified in auction site and not as generic description of "plastic chairs" thus resulting in higher revenues.

**Financial:** Increase overall revenue generated by surplus.

**Goal:** Maximize revenue generated for items sold by expanding the bidding audience, setting reserves and posting items with description highlighting true values.

**Outcome:** Revenue doubled from previous year results.



**2012 Budget Estimate - Summary of Personal Services**

**Fund Center: 10610**

| Division of Purchase                             | Job Group | Current Year 2011 |           |     | Ensuing Year 2012 |     |           |     |             | Remarks |
|--|-----------|-------------------|-----------|-----|-------------------|-----|-----------|-----|-------------|---------|
|  |           | No:               | Salary    | No: | Dept-Req          | No: | Exec-Rec  | No: | Leg-Adopted |         |
| Cost Center 1061010 Procurement                  |           |                   |           |     |                   |     |           |     |             |         |
| Full-time Positions                              |           |                   |           |     |                   |     |           |     |             |         |
| 1 PURCHASING DIRECTOR                            | 17        | 1                 | \$82,416  | 1   | \$87,270          | 1   | \$87,270  | 1   | \$87,270    |         |
| 2 BUYER  | 11        | 3                 | \$167,445 | 3   | \$168,088         | 3   | \$168,088 | 3   | \$168,088   |         |
| 3 RECEPTIONIST                                   | 03        | 1                 | \$29,576  | 1   | \$29,689          | 1   | \$29,689  | 1   | \$29,689    |         |
| Total:   |           | 5                 | \$279,437 | 5   | \$285,047         | 5   | \$285,047 | 5   | \$285,047   |         |
| Cost Center 1061020 Surplus and Asset Management |           |                   |           |     |                   |     |           |     |             |         |
| Full-time Positions                              |           |                   |           |     |                   |     |           |     |             |         |
| 1 SURPLUS ASSETS & WAREHOUSE WORKER              | 07        | 0                 | \$0       | 1   | \$38,762          | 1   | \$38,762  | 1   | \$38,762    | Reclass |
| Total:   |           | 0                 | \$0       | 1   | \$38,762          | 1   | \$38,762  | 1   | \$38,762    |         |
| Regular Part-time Positions                      |           |                   |           |     |                   |     |           |     |             |         |
| 1 SURPLUS ASSETS & WAREHOUSE WORKER RPT          | 07        | 1                 | \$35,709  | 0   | \$0               | 0   | \$0       | 0   | \$0         |         |
| Total:   |           | 1                 | \$35,709  | 0   | \$0               | 0   | \$0       | 0   | \$0         |         |
| <b><u>Fund Center Summary Totals</u></b>         |           |                   |           |     |                   |     |           |     |             |         |
| Full-time:                                       |           | 5                 | \$279,437 | 6   | \$323,809         | 6   | \$323,809 | 6   | \$323,809   |         |
| Regular Part-time:                               |           | 1                 | \$35,709  | 0   | \$0               | 0   | \$0       | 0   | \$0         |         |
| Fund Center Totals:                              |           | 6                 | \$315,146 | 6   | \$323,809         | 6   | \$323,809 | 6   | \$323,809   |         |

COUNTY OF ERIE

Fund: 110  
 Department: Division of Purchase  
 Fund Center: 10610

| Account Appropriations                    | 2010<br>Actuals | 2011<br>Legislative<br>Adopted | 2011<br>Adjusted<br>Budget | 2012<br>Department<br>Request | 2012<br>Executive<br>Recommendation | 2012<br>Legislative<br>Adopted |
|---|-----------------|--------------------------------|----------------------------|-------------------------------|-------------------------------------|--------------------------------|
| 500000 Full Time - Salaries               | 329,261         | 295,840                        | 295,840                    | 323,809                       | 323,809                             | 323,809                        |
| 500020 Regular PT - Wages                 | 31,072          | 35,709                         | 35,709                     | -                             | -                                   | -                              |
| 500300 Shift Differential                 | 12              | 50                             | 50                         | 50                            | 50                                  | 50                             |
| 500330 Holiday Worked                     | -               | 215                            | 215                        | -                             | -                                   | -                              |
| 500350 Other Employee Payments            | 400             | -                              | -                          | -                             | -                                   | -                              |
| 501000 Overtime                           | 221             | 1,000                          | 1,000                      | 1,000                         | 1,000                               | 1,000                          |
| 502000 Fringe Benefits                    | 180,429         | 183,148                        | 183,148                    | 175,423                       | 175,423                             | 175,423                        |
| 505000 Office Supplies                    | 2,535           | 2,400                          | 2,400                      | 2,400                         | 2,400                               | 2,400                          |
| 506200 Maintenance & Repair               | 873             | 1,000                          | 1,000                      | 1,000                         | 1,000                               | 1,000                          |
| 510000 Local Mileage Reimbursement        | -               | 50                             | 50                         | 50                            | 50                                  | 50                             |
| 510200 Training And Education             | -               | 200                            | 200                        | 200                           | 200                                 | 200                            |
| 516020 Professional Svcs Contracts & Fees | 16,421          | 17,000                         | 17,000                     | 17,000                        | 17,000                              | 17,000                         |
| 516030 Maintenance Contracts              | 1,311           | 1,332                          | 1,332                      | 1,200                         | 1,200                               | 1,200                          |
| 530000 Other Expenses                     | 47              | 115                            | 115                        | 100                           | 100                                 | 100                            |
| 910600 ID Purchasing Services             | (590,735)       | (562,830)                      | (562,830)                  | (682,442)                     | (682,442)                           | (682,442)                      |
| 910700 ID Fleet Services                  | 2,099           | 2,093                          | 2,093                      | 15,452                        | 15,452                              | 15,452                         |
| 912215 ID DPW Mail Svcs                   | 4,786           | 5,124                          | 6,124                      | 6,698                         | 6,698                               | 6,698                          |
| 980000 ID DISS Services                   | 21,467          | 17,554                         | 17,554                     | 18,060                        | 18,060                              | 18,060                         |
| <b>Total Appropriations</b>               | <b>199</b>      | <b>-</b>                       | <b>1,000</b>               | <b>(120,000)</b>              | <b>(120,000)</b>                    | <b>(120,000)</b>               |

| Account Revenues                           | 2010<br>Actuals | 2011<br>Legislative<br>Adopted | 2011<br>Adjusted<br>Budget | 2012<br>Department<br>Request | 2012<br>Executive<br>Recommendation | 2012<br>Legislative<br>Adopted |
|--|-----------------|--------------------------------|----------------------------|-------------------------------|-------------------------------------|--------------------------------|
| 420500 Rent Of Real Property - Concessions | 13,914          | 15,600                         | 15,600                     | 15,600                        | 15,600                              | 15,600                         |
| 480020 Sale of Excess Materials            | 325,604         | 200,000                        | 200,000                    | 200,000                       | 200,000                             | 200,000                        |
| 480030 Recycling Revenue                   | 123,557         | 20,000                         | 20,000                     | 25,000                        | 25,000                              | 25,000                         |
| <b>Total Revenues</b>                      | <b>463,075</b>  | <b>235,600</b>                 | <b>235,600</b>             | <b>240,600</b>                | <b>240,600</b>                      | <b>240,600</b>                 |