# Procurement Department

February 26th, 2013

# Introduction

## About PhillyStat

- PhillyStat is the City of Philadelphia's performance management program, led by the Managing Director and the Finance Director. During PhillyStat meetings, the Mayor or a Core Team member reviews progress towards the Mayor's strategic goals and individual departmental performance. There are two types of PhillyStat meetings: Ops and Outcomes. This presentation is for a PhillyStat Ops meeting.
- At PhillyStat Ops meetings, a single department reviews their operations with a member of the Mayor's Cabinet. Performance is reviewed in five areas: departmental operations, customer service, finances, technology and human resources. These meetings are held quarterly.

## Structure of Presentation

- The presentation begins with the department's core mission and a logic model, both which are useful for readers who are not as knowledgeable about what the department does.
- Each of the five sections (Operations, Customer Service, Finance, Technology, and People) have a summary dashboard of key performance measures and explanatory measures.
- Explanatory measures help explain movement in performance measures. For example, the number of employees and number of vehicles managed by the Office of Fleet Management impact the Office's operational performance measures.
- The presentation ends with brief explanations of the department's key challenges and wins for the quarter, and recognizes an employee of the quarter.

# Core Mission

The Procurement Department takes pride in achieving its core objective which is contributing to Philadelphia government working efficiently, effectively, with integrity and responsiveness.

Procurement works as a team to obtain quality goods, services and construction in an open, timely, and cost-effective manner by a competitive, fair and socially responsible process in accordance with the law. Procurement is constantly improving its performance through enhanced customer service and continuous performance management.

# Logic Model

***A logic model is a representation of how an activity (such as a service, project, program, or policy) is intended to produce particular results, also known as outcomes. They also help identify key operations measures.***

| Inputs | Services | Outputs | Outcomes |
|---|---|---|---|
| *Resources used in providing services* | *Services provided* | *What the services produce* | *The goal of providing the services* |
| • Procurement employees<br>• Services, supplies, and materials<br>• Information Technology Solutions<br>• Local, State, and Federal procurement laws | The Procurement Department is responsible for the following:<br>• Services, supplies and equipment purchasing<br>• Public works bids<br>• Asset management<br>• Quality assurance<br>• Print advertising | • Contracts are awarded<br>• Goods and services are purchased<br>• Assets are tagged and registered<br>• Surplus property and goods are disposed of<br>• Goods are inspected<br>• Items are rejected<br>• Ads are purchased | City has obtained quality goods and services in a timely, fair, and cost-efficient manner |
| **Finance, Technology, People** | | **Operations** | **Operations & Customer Service** |

Where You'll Find Measures for Each part of the Logic Model

# Strategic Direction

- The Procurement Department continues to provide quality service while improving its operations:
  - Short term:
    - Streamline internal processes with the tools already available
    - Stabilize and improve operations
    - Reassess current team's capacity and identify training and development opportunities
  - Long term:
    - Transform how the City purchases and manages assets
    - Identify further legislative solutions
    - Modernize the systems used to purchase and manage on a comprehensive Citywide level

# Executive Summary

During the most recent quarter, the Procurement Department has continued to fill departmental vacancies, expanded the view of operations for the department, and assigned appropriate metrics for measuring performance. The Department has also initiated the stabilization of key Procurement applications, and looks forward to moving out of stabilization mode and into increasing our overall capacity.

# Key Challenges

- Staffing transitions
- Outdated technology

# Key Wins

- Incremental technology improvements
- Implementation of the Senior Team Model

# 1.1 Summary Operations Dashboard Outputs

| Logic Model | Service | Indicator | FY12 Q2 | FY12 Q3 | FY12 Q4 | FY13 Q1 | FY13 Q2 |
|---|---|---|---|---|---|---|---|
| | | | *Previous Quarters* | | | | Current Quarter |
| Output | Public Works | Number of public works bids awarded | 32 | 23 | 43 | 28 | **29** |
| | Public Works | Dollar amount awarded public works | $86,799,837 | $36,741,946 | $62,890,621 | $37,361,078 | **$47,396,750** |
| | Public Works | Total Number Initiations Processed (Bids) | N/A* | N/A* | N/A* | N/A* | **22** |
| | Public Works | Avg. Number of Bidders (Awarded Contracts) | N/A* | N/A* | N/A* | N/A* | **5** |
| | Public Works | Number of Single Response Bids | N/A* | N/A* | N/A* | N/A* | **0** |
| | Public Works | Avg. Number of Days from Bid Initiation to Award | N/A* | N/A* | N/A* | N/A* | **130** |
| | SS&E | Number of SS&E bids awarded | 48 | 47 | 64 | 37 | **68** |
| | SS&E | Dollar amount awarded SS&E | $8,182,787 | $20,323,118 | $50,074,947 | $12,066,597 | **$20,663,988** |
| | SS&E | Number of small order purchases processed | 249 | 228 | 283 | 342 | **175** |

Source: SPEED

**N/A*** - This is the first quarter in which Procurement Department is reporting out these metrics

# 1.1 New Operations Metrics – Special Services

| Logic Model | Service | Indicator | Current Quarter FY13 Q2* |
|---|---|---|---|
| Output | Inventory | Number of Assets Tagged | **2034** |
| | Inventory | Number of Assets Added to Inventory | **192** |
| | Inventory | Total Value of Added Assets | **$322,999,854.06** |
| | Inventory | Number of Assets Removed from Inventory | **542** |
| | Inventory | Inventory Turnover Ratio** | **1/3** |
| | Inventory | Total Value of Cannot Locate Assets as of 1/29/13 | **$11,066,937.10** |
| | Surplus Disposal | Total Value of Removed Assets | **$299,571,929.74** |
| | Surplus Disposal | Total Revenue Collected from Surplus Disposal | **$103,325.86** |

Source: C-400
*This is the first quarter in which Procurement is reporting out Special Services Metrics
** Inventory Turnover Ratio – Number of Assets Added : Number of Assets Removed

# 1.1 New Operations Metrics – Special Services

| Logic Model | Service | Indicator | Current Quarter FY13 Q2 |
|---|---|---|---|
| Output | Surplus Disposal | Number of Assets Transferred to Different Departments | **50** |
| | Inspections | Number of Samples Sent to Lab for Inspection | **59** |
| | Inspections | Number of Contracts Inspected | **54** |
| | Inspections | Number of Goods/Services Rejected After Inspection | **9** |
| | Advertising | Number of Ads Posted | **466** |
| | Advertising | Total Ad Spend | **$900,766.88** |
| | Advertising | Dollar Amount of We Pay Ads* | **$535,970.18** |
| | Advertising | Dollar Amount of They Pay Ads** | **$315,209.70** |
| | Advertising | Dollar Amount of Quasi Agency Ads*** | **$49,587.00** |

Source: C-400 & AdTrack

*"**We Pay**" ads are legally-mandated and are carried on Procurement's budget. This does not include any ads placed by City Council, even if those ads are legally-mandated.

** "**They Pay**" ads include ads placed by City Council as well as any ads that are not legally mandated. They Pay ads are reflected in the budget of the department placing the ad

*** "**Quasi Agency**" ads are ads placed for the School District of Philadelphia

# 1.1 Summary Operations Dashboard Outputs (cont.)

| Logic Model | Service | Indicator | Annual Target | FY12 Q2 | FY12 Q3 | FY12 Q4 | FY13 Q1 | FY13 Q2 |
|---|---|---|---|---|---|---|---|---|
| | | | | *Previous Quarters* | | | | Current Quarter |
| Output | SS&E | Percent of departmental bids processed within 90 days | **50%** | 41% | 33% | 57% | 18% | **42%** |
| | SS&E | Percent of City-Wide contracts renewed/established before contract expires | **75%** | 50% | 52% | 55% | 45% | **52%** |
| | SS&E | Average number of responses for competitive bids | **3.00** | 2.47 | 2.73 | 2.60 | 3.21 | **3.48** |
| | SS&E | Percent of competitive bids with single responses | **25%** | 25% | 26% | 33% | 32% | **23%** |

Source: SPEED

**Legend**

| Performing better than target | Off target by less than 10% | Off target by 10% or greater |
|---|---|---|

## 1.2 FY 13 Q2 Competitive bids with the longest amount of time, from requisition to award – SS&E

| Bid number | Commodity type | Department Affected | Days spent in other department(s) | Days spent in Procurement | Total days |
|---|---|---|---|---|---|
| S2Z5796S | SCAN Runway Information System | City-wide | 447 | 73 | 520 |
| T2Z57810 | Safety/Fire Supplies | City-wide | 107 | 284 | 391 |
| T3Z58750 | Fax Machine Maintenance and Repair Service | City-wide | 22 | 303 | 325 |
| T2Z58510 | Work Clothes | City-wide | 63 | 223 | 286 |
| S3Z58770 | Repair/Maintenance of Microscopes | City-wide | 6 | 276 | 282 |

Note: Updated on 1/29/2013

Sources: Procurement Department SPEED

## 1.2 FY 13 Q2 Competitive bids with the longest amount of time, from requisition to award – Public Works

| Bid number | Commodity type | Department Affected | Days spent in other department(s) | Days spent in Procurement | Total days |
|---|---|---|---|---|---|
| 4052PLUM | Interior Renovation of Barry Playground Bldg. 18th & Bigler St | Public Property | 257 | 75 | 332 |
| 4052ELEC | Interior Renovation of Barry Playground Bldg. 18th & Bigler St | Public Property | 257 | 75 | 332 |
| 4052GCON | Interior Renovation of Barry Playground, 18th & Bigler St | Public Property | 256 | 74 | 330 |
| 4384ELEC | Provide Outdoor lighting @ Mander Playground 2140 N 33rd St | Public Property | 91 | 68 | 159 |
| 4196GCON | Addition/Renovate Bldg. & Site Improvement @ Penrose Playground | Public Property | 60 | 73 | 133 |

Note: Updated on 1/30/13
Sources: Procurement Department

## 2.1 Summary Customer Service Dashboard

| Logic Model | Service | Indicator | Annual Target | FY13 Q1 (*Previous Quarter*) | FY13 Q2 (Current Quarter) |
|---|---|---|---|---|---|
| Outcome | SS&E and Public Works | *Percent of respondents indicating very satisfied or satisfied on the Procurement Customer Satisfaction survey | TBD | ** | ** |

- The Procurement Department is currently redeveloping key operational performance measures.

Source: Procurement Department

# 3.1 Department Budget Dashboard

| 3.1 General Fund Appropriations/ Obligations | Fiscal Year 2013, Quarter 2 October 2012 to December 2012 | | | | Fiscal Year 2012, Quarter 2 October 2011 to December 2011 | | | |
|---|---|---|---|---|---|---|---|---|
| | FY13 Q2 YTD Current Target Budget | FY13 Q2 YTD Projected Obligation | Target Budget minus Projected Obligation | % Difference | FY12 Q2 YTD Target Budget | FY12 Q2 YTD Annual Obligation | Target Budget minus Annual Obligation | % Difference |
| **Total General Fund** | $1,863,693 | $2,203,095 | ($339,402) | **-18%** | $2,096,032 | $2,580,798 | ($484,766) | **-23%** |
| Class 100 | $1,028,831 | $1,059,951 | ($31,120) | **-3%** | $1,054,017 | $1,023,529 | $30,488 | **3%** |
| Class 200 | $805,179 | $1,116,765 | ($311,586) | **-39%** | $1,016,576 | $1,537,578 | ($521,002) | **-51%** |
| Class 300 | $23,033 | $22,079 | $954 | **4%** | $20,039 | $19,456 | $583 | **3%** |
| Class 400 | $6,650 | $4,300 | $2,350 | **35%** | $5,400 | $235 | $5,165 | **96%** |
| Overtime | $2,000 | $511 | $1,489 | **74%** | $2,182 | $182 | $2,000 | **92%** |

| Legend % Diff. from YTD Projection | |
|---|---|
| | 0% and above |
| | -1% to -3% |
| | -4% and below |

**Source: Procurement Department, 10th of the Month Report, as of 1/10/2013**

# Summary Finance Dashboard (cont.)

| Revenues | FY13 Q2 YTD Estimate | FY13 Q2 YTD Actual | Difference | % Difference Estimate vs. Actual | FY12 Q2 YTD Estimate | FY12 Q2 YTD Actual | Difference | % Difference Estimate vs. Actual |
|---|---|---|---|---|---|---|---|---|
| | Fiscal Year 2013, Quarter 2 October 2012 to December 2012 | | | | Fiscal Year 2012, Quarter 2 October 2011 to December 2011 | | | |
| **Total Revenues** | $464,375 | $316,282 | ($148,093) | **-32%** | $510,827 | $330,897 | ($179,930) | **-35%** |
| **Other Funds Appropriations and Obligations** | **FY13 Q1 Target Budget** | **FY13 Q1 Projected Obligation** | **Difference** | **% Difference** | **FY12 Q1 Target Budget** | **FY12 Q1 Projected Obligation** | **Difference** | **% Difference** |
| **Total Other Funds** | $33,617 | $5,294 | $28,323 | 84% | $33,327 | $32,354 | $973 | 3% |

| Legend % Diff. from YTD Projection | |
|---|---|
| | 0% and above |
| | -1% to -3% |
| | -4% and below |

**Source: Procurement Department, 10th of the Month Report, as of 1/10/2013**



phillystat.

| Project Goal | Project Name | Description | FY13 Q2 Status | FY13 Q2 Update |
|---|---|---|---|---|
| Improve Communication with Public | Phila.gov 3.0 | Redoing Procurement's website as part of the Phila.gov program. | On-track | Site is ready but content has not yet been uploaded. Business team waiting until after SPEED application has been moved since there are links. A web form tool will also be available through the site. |
| Improve Communication with Departments | Procurement Intranet | Rebuilding the Procurement Intranet site, which is used by City employees for purchasing and asset management. | Scheduled | Intranet site has been rebuilt with broken links restored and extensive search capability added. Additional enhancements will be added as part of the SPEED stabilization rollout. |
| Improves Communication with Vendors | Vendor Portal | Project to create a secure, proprietary system for managing and communicating with third-party suppliers of goods and services. | Unfunded | A true vendor portal is beyond the scope of current funding. Electronic forms on the Phila.gov 3.0 web site may replace paper forms. Business team is investigating. |
| Improve Internal Processes | SPEED Stabilization | Project to upgrade the technology platform and infrastructure for the business application SPEED. | Scheduled | The SPEED application will be moved to a more stable, supported, and enterprise level hardware and software platform on 2/17/2013. Testing of new environment was completed in December. |
| Improve Internal Processes | Document Imaging | Project to digitize POs, Bids, and contract files, and create electronic forms used by departments. | Partial solution possible | Business team has received quotes from our imaging vendor to determine cost and feasibility of funding. Project is currently on hold. |
| Improve Internal Processes | Inventory Tracking System | Project to implement a system to track city-wide inventory of supplies and equipment. | Unfunded | The current inventory tracking system has been moved to a stable software/hardware platform. Two new solutions have been explored but would require an initial investment in barcode or RFID tag scanning hardware. May also require a business analyst resource from OIT. |
| Improve Internal Reporting | ADPICS reports | Project to enable better reporting on information captured in the City's current procurement system (ADPICS) | Unfunded | OIT is unable to provide this functionality in house. Need the assistance of the data warehouse vendor. |
| Improve Internal Reporting | Advertising Tracking System | Project to improve or replace the system used to track the placement and payment for city-wide advertising in print publications. | Completed | Existing system was enhanced rather than replaced. |
| Improve Internal Processes and Communication with all stakeholders | Admin Modernization Phase 2 – Procurement | Project to implement a Source to Pay solution. To include SPEED, Vendor Portal, and ADPICS. | On hold | Out of scope at the present time. |

| **5.1 Staff Availability**<br>*The following set of metrics provide information on the availability of staff to perform the work of the department.* | | |
|---|---|---|
| | FY13 Q2 | FY12 Q2 |
| Number of budgeted positions | 51 | 51 |
| Percent of Positions Vacant | 6% | 8% |
| Percent of Employees Retirement Eligible | 15% | 24% |
| Percent of Employees in DROP | 13% | 24% |
| Percent of Employees Retirement Eligible NOT in DROP | 2% | 0% |

| **5.2 Staff Performance**<br>*The following metric shows if the department is current with performance evaluation, important documents for staff growth and development.* | | | |
|---|---|---|---|
| | Target | FY13 Q2 | FY12 Q2 |
| **Percent of Civil Service Employees with Current Performance Evaluations** | **80%** | **98%** | 98% |
| ***Average Performance Rating** | | | |
| DC 33 (20 employees) | Satisfactory | 100% | |
| DC 47 (16 employees) | Outstanding | 25% | |
| | Superior | 25% | |
| | Satisfactory | 50% | |
| Non rep (4 employees) | Outstanding | 50% | |
| | Superior | 50% | |

# Employee of the Quarter

## Timothy Vinson, Buyer

Tim has been an employee of the City of Philadelphia for fifteen years. He was initially hired in the Mayor's Office of Community Service as a Job Developer, from January 1997 to April 2000. Tim was hired by the Procurement Department in April of 2001 as a Management Trainee, and has worked as a Buyer since. Tim is now a Procurement Technician II, with the second most experience on our team of Buyers. In a department full of rules, regulations and procedures, his experience is indispensible. He specializes in the purchasing of Technology and Health related items. He is often behind the scenes resolving issues that come up in these industries. Throughout the past quarter, there were several departments who specifically mentioned to management how valuable he has been. He is a dedicated public servant who prides himself on representing the City well and getting the job done.

# Core Mission

The Procurement Department takes pride in achieving its core objective which is contributing to Philadelphia government working efficiently, effectively, with integrity and responsiveness.

Procurement works as a team to obtain quality goods, services and construction in an open, timely, and cost-effective manner by a competitive, fair and socially responsible process in accordance with the law. Procurement is constantly improving its performance through enhanced customer service and continuous performance management.

# Contact Us!

For more information about PhillyStat:

- Check us out on Facebook at www.facebook.com/phillystat
- Follow us on Twitter @PhillyStat
- Find us online at www.phila.gov/phillystat
- Email us at phillystat@phila.gov

## Operations

- The City of Philadelphia ***fiscal year*** runs from July 1st to June 30th.
- ***Sole source bids***, bids in which one company/organization can provided services needed, are excluded.
- ***Small order purchases*** are purchases of $30,000 or less.
- ***Median*** number shows a distribution of 50% above and 50% below a group of items (e.g. competitive bids, bid responses).

## Finance

- ***Total appropriations*** are the total funds allocated to departments, as approved by City Council.
- ***Target budget*** is the budget amount departments anticipate spending, given their total appropriations, (i.e. fiscal quarter  year to date, fiscal year).  Targets are set by departments and the Budget Department in partnership. Annual targets are set after annual budget is adopted.

## Finance (cont.)

- ***Obligation*** is the total of department expenditures and encumbrances. Encumbrances are funds dedicated towards contract services.
- ***Spending classes*** included are Class 100 (Personnel), Class 200 (Purchase of services), Class 300 (Materials and supplies) and Class 400 (Equipment).
- ***Overtime*** includes regular and holiday overtime.

## Human Resources

- ***Number of full-time employees*** includes all funds.
- ***Undocumented sick leave, average days*** is calculated as the total of paid and unpaid, undocumented sick leave divided by the number of employees, divided by 8 (hours in a full work day). Citywide number of employees excludes Fire, Police, First Judicial District, District Attorney, Register or Wills, City Controller, Sheriff and City Commissioner.