

Program #72005B - FRM Strategic Sourcing Contract Administration

5/7/2015

Department: County Management

Program Contact: Brian Smith

Program Offer Type: Innovative/New Program

Program Offer Stage: As Proposed

Related Programs: 72005A-16 - FRM Purchasing

Program Characteristics:
Executive Summary

The Strategic Sourcing Contract Administration program will develop and manage countywide contracts for greater efficiency and economy. The work undertaken by this program did not exist prior to the implementation of the strategic sourcing initiative, and the lack of staffing for these functions has been an impediment to fully realizing the savings which result from the County's investment in a strategic sourcing approach.

Program Summary

The Strategic Sourcing Contract Administration program will perform the most complex duties that pertain to understanding and interpreting local, state and federal statutes, policies and procedures with specialized expertise in all contract types. Duties will include contract development, contract management, client/stakeholder support and management research and analysis, vendor relation management, and countywide contract compliance. This program will provide intensive and extensive organization and program analysis to support the planning and development of contracting, coordination and collaboration of countywide, interdivisional, and interagency special projects such as cooperative or intergovernmental contracts and purchasing agreements in support of countywide agreements.

Two years ago, the County closed the Central Stores warehouse and replaced it with a Strategic Sourcing program. Strategic Sourcing is a structured approach to looking at the County's spend by commodity category and optimizing the way we purchase based on our needs, values and funding. The Strategic Sourcing program, which sits administratively within the Department of County Assets Administrative Hub Procurement & Contracting, is integral to achieving the best value for the County's funds, and enjoys a close partnership with Central Purchasing. With the County's move toward Strategic Sourcing as a methodology for driving both efficiency and savings for approximately 185 commodities (the Strategic Sourcing "Pipeline"), DCA has established the seven-step process for systematically reviewing the way in which the County purchases each commodity. Purchasing works very closely with DCA on the implementation of strategic sourcing. As the first commodities moved through the strategic sourcing process, it became apparent that there was a functional gap in the final two steps of the process: overseeing the transition to new suppliers across the county and managing those suppliers during the contracting period. Purchasing worked with DCA to scope out the staffing need and integrate it into the rest of the process.

Performance Measures

Measure Type	Primary Measure	FY14 Actual	FY15 Purchased	FY15 Estimate	FY16 Offer
Output	Number of contracts actively administered	N/A	N/A	N/A	5
Outcome	Savings achieved as a percent of position cost	N/A	N/A	N/A	15%

Performance Measures Descriptions

- 1) Number of contracts actively administered- These contracts are the result of Strategic Sourcing activities and have both administrative and cost efficiencies associated with their creation and management.
- 2) Savings achieved as a percent of position cost. This program will track and report annually the savings (both cash-releasing and non cash-releasing) to the County which specifically result from its existence. In the initial year, we believe this will begin modestly. This is one excellent way to document the value delivered to the County by this position.

Legal / Contractual Obligation

This program is located in Purchasing rather than Strategic sourcing because it is chiefly responsible for developing and managing countywide contracts as specified in PCRB 15-0000(1)(m) [Authority of the Purchasing Manager].

Oregon Revised Statutes (ORS) 279A, 279B, and 279C establish requirements affecting the County's procurement and contracting practices. The County establishes and implements Public Contract Review Board (PCRB) Rules and Administrative Procedures CON-1 and PUR-1 to define its procurement and contracting processes within the constraints of ORS requirements.

Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
Program Expenses	2015	2015	2016	2016
Personnel	\$0	\$0	\$100,948	\$0
Materials & Supplies	\$0	\$0	\$1,800	\$0
Internal Services	\$0	\$0	\$1,200	\$0
Total GF/non-GF	\$0	\$0	\$103,948	\$0
Program Total:	\$0		\$103,948	
Program FTE	0.00	0.00	1.00	0.00

Program Revenues				
Total Revenue	\$0	\$0	\$0	\$0

Explanation of Revenues

This program is supported by General Fund revenues.

Significant Program Changes

Last Year this program was:

New program offer.