



Program #78104 - DCA Business Services Countywide Strategic Sourcing 3/7/2022

Department: County Assets **Program Contact:** Tony Dornbusch
Program Offer Type: Support **Program Offer Stage:** As Requested
Related Programs:
Program Characteristics: In Target

Executive Summary

Strategic Sourcing team is one of the three service teams in the Department of County Assets (DCA) Business Services Division. The team facilitates the consolidation of the County’s purchasing power to find the best possible values in the marketplace, while adhering to County values. The seven step Strategic Sourcing practice is anchored in the identification of requirements and risks to the County, as well as adherence to County values and compliance with governing laws. The Seven Steps of Strategic Sourcing also includes a robust analysis of equity, economic, and environmental impacts and considerations. The Strategic Sourcing unit reports to the departmental Deputy Director.

Program Summary

Strategic Sourcing practices follow a holistic approach for the selection and sourcing of goods and services necessary to meet the requirements of an organization’s operations. This effort includes several key tenets or procurement best practices: (1) Consolidating spend across all buyers with a small number of supplier partners so that the best prices can be achieved, (2) Considering the total life cycle cost of a product and service (not just the purchase price) when making a procurement decision, (3) Building mutually beneficial strategic partnership relationships with key suppliers, (4) Leveraging the capabilities and services of supplier partners to reduce internal operating costs, and (5) Leveraging technology to reduce operating costs, better manage spend and achieve better prices

Strategic Sourcing initiatives primarily support the acquisition of goods and services purchased Countywide. Support also includes collaboration with departmental partners in the review of Administrative Procedures and the implementation of best practices as necessary, in support of strategic sourcing initiatives. The Strategic Sourcing team chairs the County’s Strategic Sourcing Council, which identifies and prioritizes initiatives based upon risk, value and impact across the County.

Based upon recent experiences with Emergency responses to fires, the pandemic, and sheltering requirements, in addition to a greater focus on Diversity, Equity and Inclusion, the focus of Strategic Sourcing and the associated performance measures are evolving to better align with the County’s direction and strategies to respond to events encountered and values held by the County. In addition, current events, such as responses to emergencies, and other situations such as large influxes of funding, or spending on major construction projects can significantly impact the spend under Strategic Sourcing managed contracts, which may cause large fluctuations in the percentage of spend under Strategic Sourcing.

Performance Measures

| Measure Type | Primary Measure | FY21 Actual | FY22 Budgeted | FY22 Estimate | FY23 Offer |
|--------------|---|-------------|---------------|---------------|------------|
| Output | Percentage of strategic sourcing contracts reviewed and amended for emergency operations priority. | NA | 80% | 10% | 60% |
| Outcome | Dollars spent under Strategic Sourcing Managed Contracts as a percentage of non-personnel dollars in th | NA | 1.65% | 1.59% | 1.65% |

Performance Measures Descriptions

PERFORMANCE MEASURE #1 - OUTPUT: Percentage of Strategic Sourcing initiatives/contracts now containing language to provide priority to County Programs during responses to emergencies..
 PERFORMANCE MEASURE #2 - OUTCOME: The total amount spent under Strategic Sourcing Initiatives/Contracts as a percentage of the total amount of Non-personal services (i.e. excluding Health and Human Services) spent across the County.

Legal / Contractual Obligation

Oregon Revised Statutes (ORS) 279A, 279B, and 279C establish requirements affecting the County's procurement and contracting practices.

Revenue/Expense Detail

| | Adopted General Fund | Adopted Other Funds | Requested General Fund | Requested Other Funds |
|------------------------|-------------------------|------------------------|---------------------------|--------------------------|
| Program Expenses | 2022 | 2022 | 2023 | 2023 |
| Personnel | \$345,091 | \$0 | \$421,795 | \$0 |
| Materials & Supplies | \$4,820 | \$0 | \$4,033 | \$0 |
| Internal Services | \$46,761 | \$0 | \$45,854 | \$0 |
| Total GF/non-GF | \$396,672 | \$0 | \$471,682 | \$0 |
| Program Total: | \$396,672 | | \$471,682 | |
| Program FTE | 2.25 | 0.00 | 2.50 | 0.00 |

| Program Revenues | | | | |
|----------------------|------------|------------|------------|------------|
| Total Revenue | \$0 | \$0 | \$0 | \$0 |

Explanation of Revenues

This program is funded in the General Fund.

Significant Program Changes

Last Year this program was: FY 2022: 78104 Business Services Countywide Strategic Sourcing

Increase of 0.25 FTE due to a transfer of allocation from program offer 78316.

Due to Covid19 the staff in this program were moved to routine teleworking instead of reporting to the office. Operational changes include virtual meetings and check ins, communication is primarily through email or google chat