

City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 14, 2009

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER

SUBJECT: BUDGET MEMO #101: SYNERGIES AND EFFICIENCIES
BETWEEN GENERAL SERVICES AND PROCUREMENT IN
CONTRACT MANAGEMENT

This budget memorandum is in response to Councilman Wilson's question regarding the opportunity for greater synergies and efficiencies between the Procurement Department and the Department of General Services in contract management functions.

The Department of General Services provides facility maintenance and repair services to all City facilities and agencies housed in City-owned facilities; provides administrative and project management and oversight in the construction of new and renovation of existing City facilities; and provides for the repair, maintenance and fueling of all City-owned vehicles. In order to accomplish this mission, the Department of General Services works through and in cooperation with the Procurement Department to put into place a large number of small, medium and high dollar contracts. Some of these contracts are as simple as annual maintenance contracts; some are as complex as multi-million dollar, multi-year construction contracts. All of these contracts require administration; the nature and level of administration required for a particular contract depends on the type of contract and the risk associated of the contract.

On page 13-24 under the "Contracts Management" activity in General Services, the expenditure budget for FY 2010 is \$234,360. This amount not only includes the cost for one full-time Contracts Administrator position (GS-15); it also includes percentages of the salaries of ten other employees who spend a portion of their time dealing with contracts and procurement activities in one manner or another, including the Director, Deputy Director, Administration Division Chief, Capital Projects Division Chief, Facilities Maintenance Division Chief, one Senior Project Manager, three Maintenance, Renovation, and Inspection Specialists, and an Account Clerk. Portions of these positions' costs are attributed to the contract management activity in order to reflect the Department's true cost of contract management.

The one full-time Contracts Administrator position, which is filled by a person who is a Certified Professional Public Buyer (CPPB), is essential due to the number and complexity of contracts administered by General Services. That individual also serves as

the General Services liaison to the Procurement Department and coordinates closely with Procurement staff through every step of the procurement process, including administration of the contract following award. With the number of contracts that General Services works through with the Procurement Department to put into place, this coordination requires a considerable amount of staff time. This is a full-time job and requires a full-time position within the Department.

In July 2008, the Procurement Department implemented the new eProcure electronic procurement system and General Services was selected to serve as the “pilot” department. With this new system, which eventually will be rolled out to all City departments and agencies, General Services was given the authority by the Director of Procurement to submit electronically contract and procurement related documents to Procurement, then to the vendor or contractor for services, materials or equipment. Those purchases that are within General Services’ spending authority do not have to be submitted through Procurement. Part of the reason that General Services is given that authority is that the Department has a Certified Professional Public Buyer on staff.

In the General Services FY 2010 Proposed budget (pages 13-25 and 13-26), there are other departmental activities that reflect the annual contract cost plus the percentage of staff time/salary required to administer those particular on-going annual contracts, including “Snow and Ice Removal;” “Facilities Maintenance, Life Security and Core and Shell;” “Custodial Services Management”; and “Parking Management.” The “Snow and Ice Removal” and “Parking Management” activities reflect the annual cost of one contract plus staff time, while the other two activities reflect the annual cost of more than one contract plus staff time.

General Services and Procurement have an efficient and effective relationship because of the current procedures and systems in place and excellent cooperation and communication between the two departments. I recommend that the Department maintain its current Contracts Administrator position in order to continue to efficiently and accurately monitor the Department’s existing contracts, support the creation of new contracts and enable the Department to continue its part in the implementation of the eProcure system, as well as, retain the enhanced procurement authority granted to the Department by the Director of Procurement.