

City of Kirkwood Purchasing Department

Mission Statement

The mission of the City of Kirkwood Purchasing Department is to provide the City with the highest quality goods and services in the most cost effective and fiscally responsive manner. This includes oversight of each operational department's procurement activities and management of all stocked inventory. All purchasing activities are conducted in compliance with City policies, applicable state and federal laws, as well as industry standards for best practices.

General Description

The Purchasing Department is charged with the responsibility of procuring all equipment, supplies, services and leases, contract administration, procurement card administration, inventory management, disposition and sale of City assets and invoice review for the City.

The Purchasing Department uses a defined procurement process prescribed by the Model Procurement Code, internal policies and procedures and other statutory requirements to increase departmental collaboration, transparency and vendor fairness.

The role the Purchasing Department plays in the City is crucial and the outcome of the purchasing decisions may have a profound impact on our organization's resources. Our purchasing process provides value and empowers the Purchasing Department to make sound business purchasing decisions for and with our internal departments.

Our centralized purchasing department provides various inputs to perform value-added processes (market and value analyses, sourcing, negotiation, etc.) and to provide output like quality, services, materials etc.

Other enlarged values provided are:

- Methodology of using E-commerce and Procards, which yield rebates, but also provide efficiencies for all departments that utilize our various purchasing methods. We offer streamlining the entire purchasing process (especially the operational part) so using departments can focus on their core activities.
- Adherence to tighter controls over this process
- Databases that track supplier, insurance, bonding, prevailing wage, etc. details that provide management reporting.
- Ensuring continuity of the supply
- Minimizing material costs
- Greater compliance with negotiated or bid contracts
- Uniform policies and systems

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- Benefits of internal coordination

The Purchasing Department has identified the following measures of effectiveness: staffing levels, purchase orders, invoices, procurement card administration, formal bids, informal bids, revenue and rebates.

Staffing

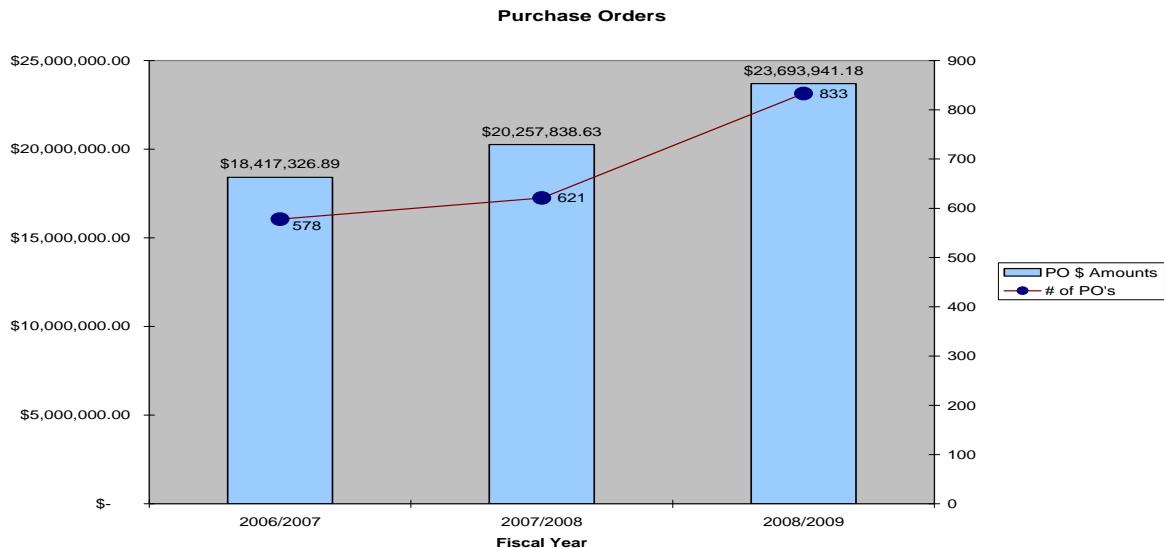
The Purchasing Department has increased staff from four (4) to (4.4) employees.

The Purchasing Department positions are:

- 1 Director of Purchasing
- 1 Assistant Director of Purchasing
- 1 Commodity Buyer
- 1 Purchasing Assistant {.5 Part-Time / .5 Temporary}
- .4 Building Service's Supervisor

Purchase Orders

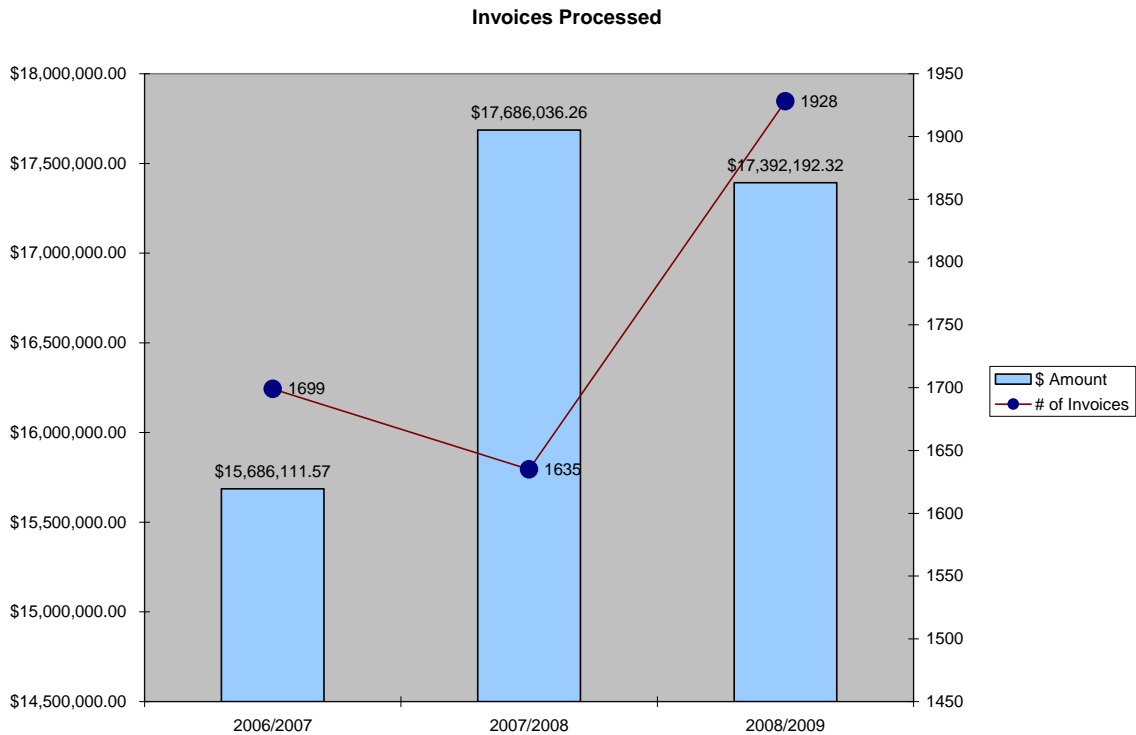
The Purchasing Department is responsible for issuing purchase orders as well as maintaining legal terms and conditions that effectively protect the City. The increased dollar amount and number of purchase orders is due to implementing a policy in which all executed contracts must have a purchase order issued in order to protect the City from legal problems.



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Invoices

The Purchasing Department reviews, approves and processes commodity, contracts and services invoices that are issued via a purchase order or contract. Each invoice is audited against the purchase order/contract. This process ensures contract pricing and tax exemptions are correctly reflected, and save substantial costs by recognizing inconsistencies in price.

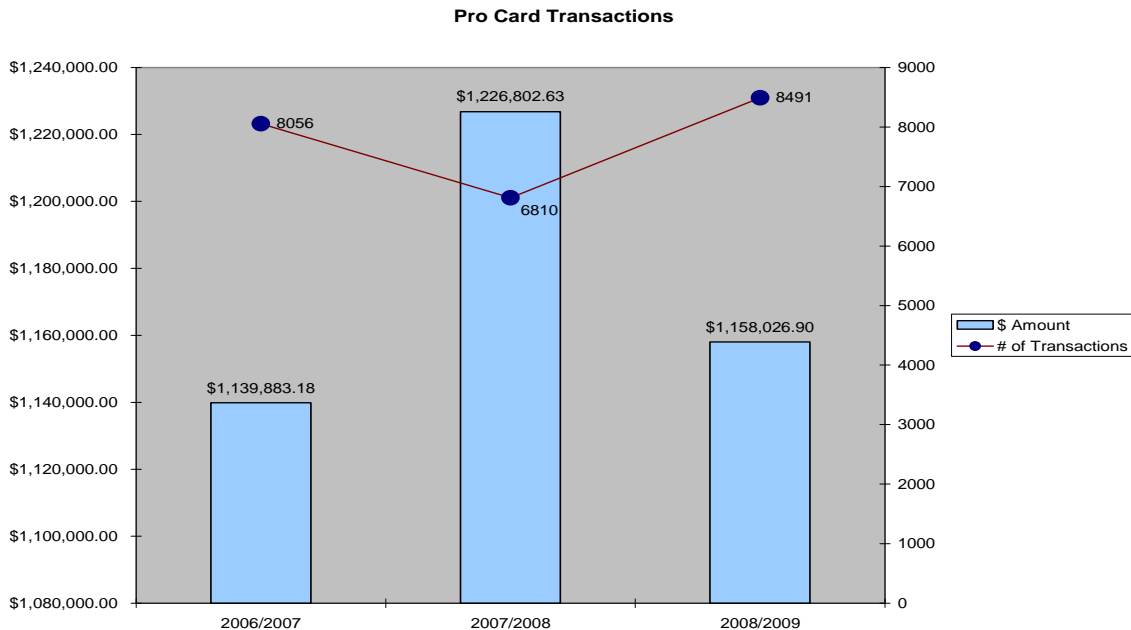


Procurement Card Administration (ProCard)

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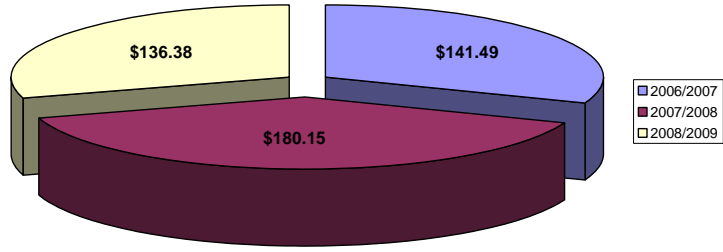
The Purchasing Department manages the Procard Program. The program officially began in 1999 as a pilot program. Beginning late 2001, the Purchasing Department actively trained all departments to begin using their Procards more effectively instead of using purchase orders, check requisitions or direct pays to the Finance Department for low dollar purchases. In 2006 the purchasing department implemented a web-based reconciliation tool that reduces time spent for all departments in reconciling their statements.

The Procard Program helps streamline and reduce the total cost of procurement and payment. Our particular program offers oversight capabilities (live), saves us time and money by greatly reducing the need for requisitions, purchase orders, check requisitions and checks.



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Avg \$ per Procard Transaction

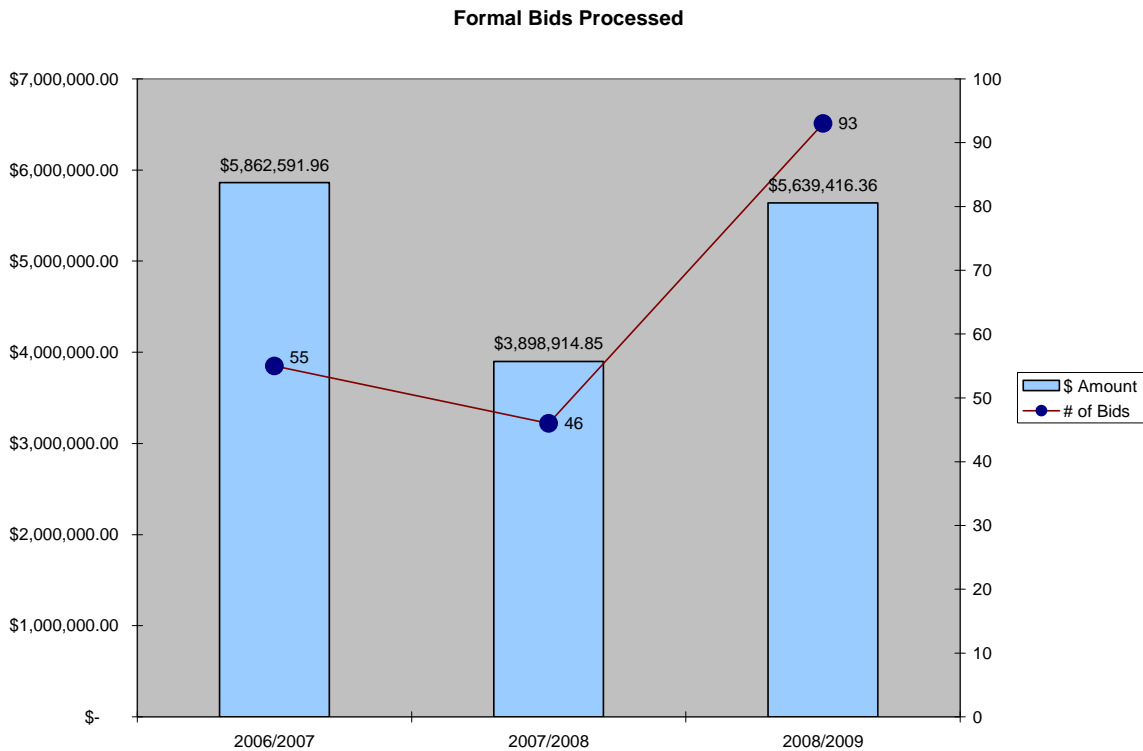


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Formal Bids

The Purchasing Department is responsible for purchasing all goods and services. Various methodologies are used such as negotiation, competitive formal and informal bidding, request for proposals, cooperative agreements and other governmental agreements. Formal bids are required for all contractual obligations and purchases greater than \$7,500.

Formal bidding activity varies greatly year to year, depending on the number and scope of capital projects that the city's various departments undertake and the number of multi-year contracts that Purchasing establishes.

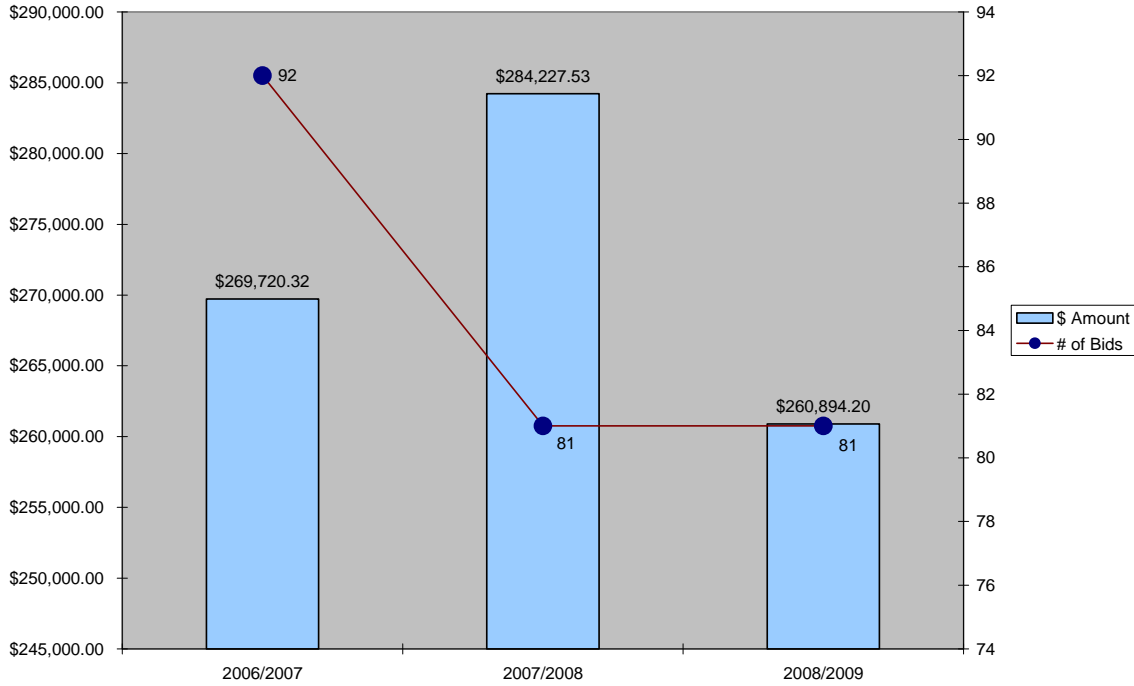


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Informal Bids

Informal bids are required for all purchases and contractual needs greater than \$1,500, but less than the \$7,500 threshold requiring a formal bid process.

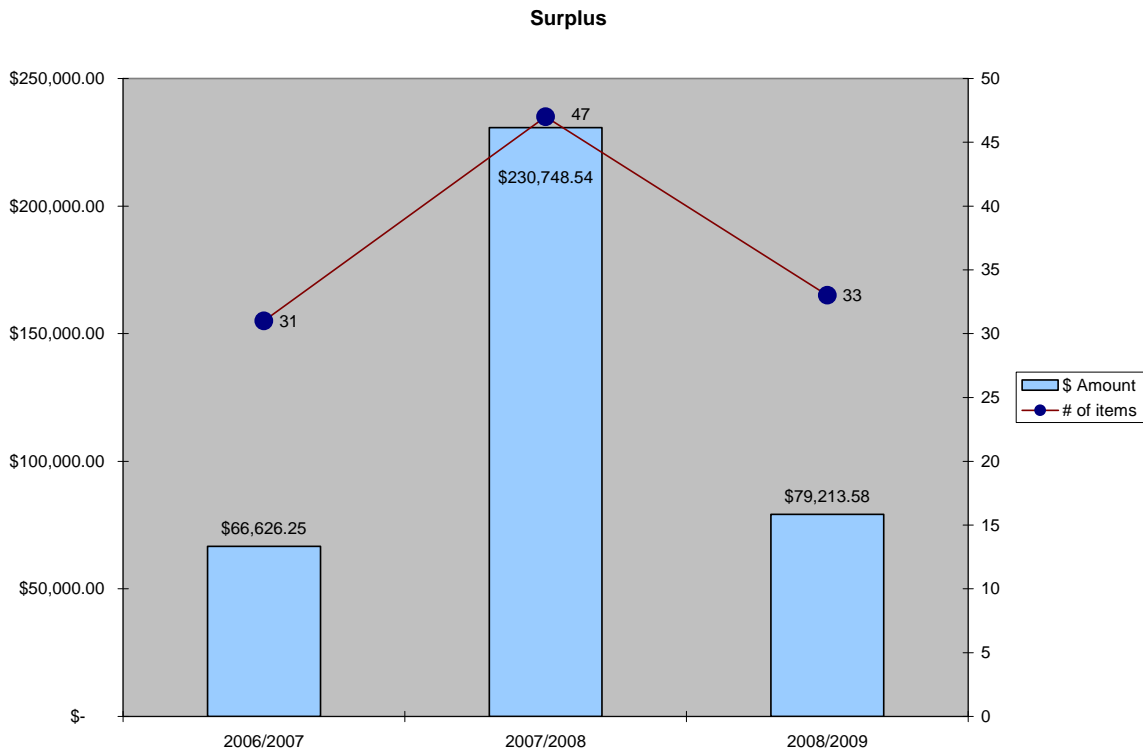
Informal Bids Processed



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Revenue from Sale of Fixed Assets

Revenue is generated when the Purchasing office sells assets either by competitively bidding, live auctions and web-based auctions. Purchasing began using various web-based auctions in lieu of traditional auctions and trade-ins and is receiving a higher rate of return on surplus assets. Surplus Sales or Bids vary greatly from year to year.



Rebates

Rebate opportunities are sought and are used to full advantage, as with the Procurement Card program and other E-Procurement Contracts.

2007/2008 \$6,996.33

2008/2009 \$12,781.47