

PROCUREMENT

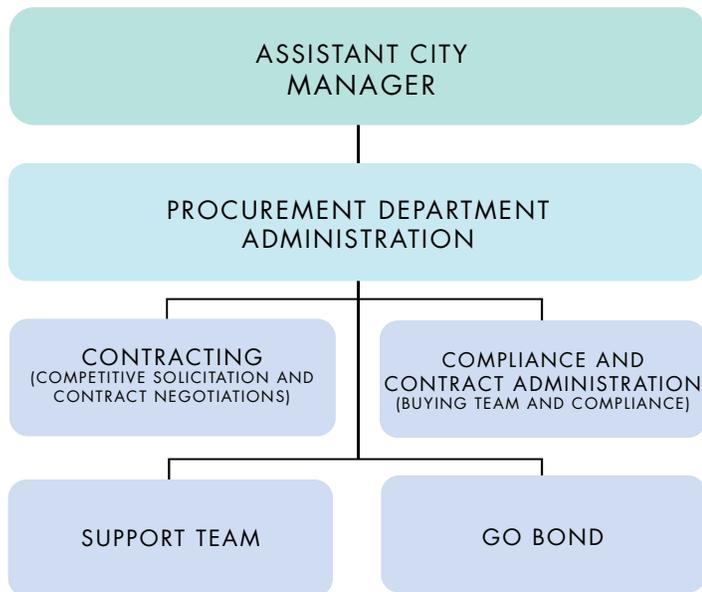
DEPARTMENT MISSION STATEMENT

The mission of the Procurement Department is to maximize taxpayer resources and maintain the public trust in the acquisition of goods and services by the City. We accomplish our mission through a service-focused culture that emphasizes the highest ethical standards, transparency, and innovation.

DEPARTMENT DESCRIPTION

The Procurement Department is responsible for managing the acquisition of goods and services required by City departments to successfully carry out their missions and goals. The Procurement Department provides direct support and oversight for expenditures by City departments to assure that expenditures are compliant with applicable regulations and that purchases are maximizing taxpayer resources.

Over the last three fiscal years, the department has facilitated significant savings to the City through competition and negotiations. The Procurement Department also manages a number of city-wide programs, including but not limited to: living wage on service contracts, the prevailing wages and local workforce programs for construction projects, and the compliance of contractors with insurance and bond requirements. While the Procurement Department understands the importance of holding contractors accountable for compliance with contractual requirements, the department also understands that it is critical to promote a business-friendly environment that minimizes unnecessary impediments to performance and assures timely payment of contractor invoices. In this regard, the department has implemented the Vendor Advocate Help Desk to assist City vendors with any issues they may be having with any process or department.



FISCAL ENVIRONMENT

The Procurement Department is funded from the General Fund. The General Fund charges an administrative fee to Enterprise Fund Departments, the Redevelopment Agency (RDA), and the Resort Tax Fund to cover the cost of various administrative support functions provided by the General Fund, including Procurement functions. It is important to note that, although the department is funded from the General Fund, over the last three fiscal years, the department has achieved, through competition and negotiations, savings significantly in excess of the department’s annual operating costs.

STRATEGIC ALIGNMENT

Main Vision Area:

Organizational Innovation

Management Objectives:

- **Organizational Innovation**
 - Support all objectives to improve strategic decision making and financial stewardship, making the city more business friendly and user friendly, with an employee culture of problem solving and engagement



Strategic Plan Actions:

- N/A

Budget Enhancement Actions:

- N/A

Resilient305 Actions:

- **THE POWER** of Purchasing
- **PLANNING** Efficiently & Effectively Together
- **DEMONSTRATE** the Costs and Benefits of Resilience Improvements

BUSINESS ENVIRONMENT

The Procurement Department continues to expand the services it provides to City departments, from contract and risk management improvements, to technology initiatives that expedite the acquisition of goods and services required to carry out the work of the City, to improving internal controls and minimizing risks.

PROCUREMENT

SIGNIFICANT ACCOMPLISHMENTS

In March of 2020, as the pandemic began to impact our community, the Procurement Department transitioned the whole team to telecommuting. Although this would normally have been a very difficult transition, the Department had proactively taken steps to have the ability to work remotely in anticipation of events such as hurricanes and other major events that could impact operations. Because of the proactive work in readying the team to work remotely, the department wasted no time and redirected its priorities to assist emergency operations with responsive activities and needs. Highlights for the fiscal year include the following:

Negotiated Savings

Over last three fiscal years, the department has facilitated approximately \$21.1 million in savings to the City through competition and negotiations:

FY 2018	\$	4,453,492.68
FY 2019	\$	13,233,158.95
FY 2020	\$	3,425,200.38

Savings are yielded from contract negotiations, the solicitation process, and strategic sourcing. Further, to address the revenue shortfall during COVID-19, the Procurement Department, working in collaboration with other departments, initiated negotiations in current contracts which have yielded approximately \$725,000 in contract savings to date.

e-Bid System (Periscope S2G, formally BidSync)

In late 2019, the Procurement Department began transitioning the electronic bidding (e-Bid) process to Periscope S2G, formally known as BidSync, a major provider of e-Bid services to governmental agencies with over 1 million registered bidders. While full transition was not planned until late into 2020, the pandemic necessitated that the timeline be accelerated. The transition has not been completed and has resulted in a 120% increase, on average, in competitive responses for the City's solicitations. The transition to BidSync has also made it easier for bidders to do business with the City and has resulted in the following process improvements:

- increased number of available bidders;
- streamlined process for bidders;
- expedited bidding process;
- maximized competition for the City;
- significant reduction of department paper usage and supplies;
- significant reduction in vendor production costs;
- added transparency and internal controls.

The e-Bid system is an example of innovative procurement practices that streamline processes, while maximizing internal controls, and provides benefits to firms doing business with the City.



SIGNIFICANT ACCOMPLISHMENTS CONT'D

e-Marketplace

The Procurement Department continues to expand the availability of contracts available for purchase via the Miami Beach e-Marketplace. The e-Marketplace, similar to other merchant aggregators, such as Amazon.com, allows City buyers to quickly access multiple contracts for a variety of maintenance, repair or operational (MRO) that are usually delivered the next business day at contract prices. All contracts are available with a single logon and purchases are charged to City issued procurement cards. The City benefits primarily in two ways: 1) City buyers can quickly compare pricing and purchase the MRO items needed by their departments, 2) for each procurement card purchase, the City receives a rebate annually. Over the last two fiscal years, the City departments have acquired nearly \$2 million through e-Marketplace. The e-Marketplace continues to be a huge step in streamlining MRO purchases, while also improving internal controls and reducing City costs.

LGBT-Owned Business and Minority Databases

A robust vendor base is critical for achieving the strategic sourcing goals of the City. As such, in an effort to increase the number and diversity of supplier options in the procurement of goods and services, the City has established, via resolution 2020-31519 and 2020-31342 a registry of LGBT-owned businesses, as certified by the National Gay and Lesbian Chamber of Commerce and small and disadvantaged businesses, as certified by Miami-Dade County. It is the goal of the Department to continue vendor outreach through organizations such as local professional associations, local chambers of business, the South Florida Alliance and the National Gay and Lesbian Chamber of Commerce.

PROCUREMENT

SIGNIFICANT ACCOMPLISHMENTS CONT'D

Centralized Contract Repository for the City

At the request of the City Commission earlier in the year, the department took on the task of creating a centralized contract repository for all City contracts. Prior to this, contracts were located in a number of electronic databases or paper files. The department is currently maintaining a database over 800 contracts. Further, the Procurement department has been working with IT in the creation of an electronic contract workflow to incorporate electronic signatures to streamline the contract approval process and the department will report all contracts in the procurement website creating a centralized space for all city contracts.

Vendor Advocacy

Many governmental vendors often do not know whom to contact for assistance with a number of cross-departmental issues such as unpaid invoices, work disputes, and compliance matters. As a result, vendors may get frustrated and refuse to do future business with the governmental organization. This has a long-term negative impact on the organization because its supplier pool becomes more limited and competition becomes more difficult. To address vendor concerns and expedite issue resolution, the Procurement Department established the Vendor Help Desk.

The Vendor Help Desk is staffed by personnel that are familiar with resolving cross-departmental issues. The primary goal of this initiative is to have a one-stop shop that can assist vendors with a multitude of issues that they may be experiencing while doing business with the City, regardless of the issue's origination. The Vendor Help Desk also enables the Procurement Department to centrally collect data on the types of issues that vendors may be experiencing.

During this period, over 2,000 vendor reported incidents have been addressed through the Vendor Advocate Help Desk, including payment issues, contract concerns, questions on how to do business with the City, setting up vendor profiles, and attaching minority business enterprise certifications, etc. A tracking system has been established for all communications received by the vendor advocate help desk. Vendor concerns are initially addressed within 24 hours of receipt and then followed up every 2-3 days until resolved. Given the increase in competition, the Vendor Advocate Help Desk appears to be a huge success and many vendors have expressed gratitude for being provided a centralized advocate for any issues they may encounter.

Achievement in Excellence

In October 2020, the Procurement Department was awarded the 2020 Achievement of Excellence in Procurement (AEP) Award. The AEP award is awarded annually by the National Procurement Institute to recognize procurement organizations that have demonstrated excellence in the areas of innovation, professionalism, productivity, technology and leadership. The AEP criteria are designed to measure and provide benchmarks for public procurement best practices.

SIGNIFICANT ACCOMPLISHMENTS CONT'D

Some of the criteria against which procurement organizations are evaluated include the establishment of performance measures and continuous improvement programs, leveraging technology and electronic commerce, sustainable procurement, and staff development. Some of the major departmental achievements that resulted in the award include the implementation of a fully electronic bidding system, a robust benchmark program, an innovative e-commerce system, and significant achievements in staff development and certification.

This year the City of Miami Beach, Florida is one of only 69 cities across the country that has been recognized by the National Procurement Institute with the 2020 Achievement of Excellence in Procurement award

CRITICAL SUCCESS FACTORS

Well Trained Staffing

The Department is operating at high productivity ratings when compared to other governmental agencies in the local area. Given the tight labor market and the shortage of available trained contracting professionals, the Department continues to seek ways of training and certifying staff to meet the needs of the City. To continue to develop existing staff, training resources continues to be of critical importance.

Continue Streamlining the Procurement Process

The Procurement Department, with approval of the City Manager and City Commission, as applicable, has significantly improved procurement policies and procedures over the last three fiscal years. It is critical that the department continue to update procedures to reflect recent City Code changes and continue to streamline processes in all functional areas, as well as incorporate internal control best practices.

Sustainable Purchasing Leadership Council (SPLC)

In unification with the Environmental and Sustainability Department, the Procurement Department will join the Sustainable Purchasing Leadership Council in the upcoming fiscal year to assist with identifying sustainable purchasing alternatives and opportunities in the upcoming fiscal year.

FUTURE OUTLOOK

The Procurement Department has planned several initiatives for the current and next fiscal year to continue to streamline and improve the management of the acquisition of goods and services, as well as maintain internal controls, by City departments so that taxpayer resources are maximized, through strict adherence to governing law, the highest ethical standards, best practices, transparency, and customer-focus. The department places a high priority on achieving its goals in order to help raise the trust and credibility of the City among constituents and improve the efficiency of acquisition practices by City departments. The critical success factors identified above are necessary to achieve the stated goals.