

PROCUREMENT

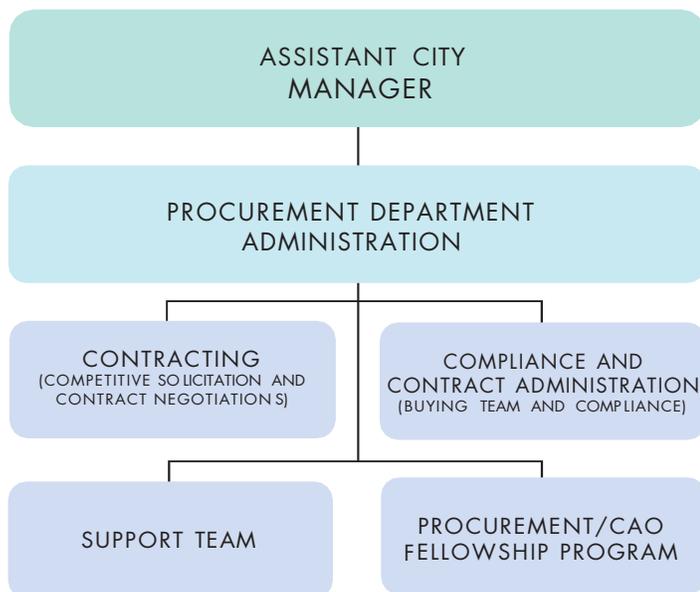
DEPARTMENT MISSION STATEMENT

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 ensure that expenditures comply with applicable regulations and that purchases maximize taxpayer resources.

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 by 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 four 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 its services 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 City’s work, improving internal controls and minimizing risks.

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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 typically have been a challenging transition, the Department had proactively taken steps to have the ability to work remotely in anticipation of events such as hurricanes and other significant 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 the last four fiscal years, the Department has facilitated approximately \$23.5 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
FY 2021	\$	2,433,062.71

Savings are yielded from contract negotiations, the solicitation process, and strategic sourcing.

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) items at contract prices. All contracts are available with a single login, and purchases are charged to City issued procurement cards. Over the last two fiscal years, city departments have made nearly \$2 million in purchases 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.

Supplier Diversity

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. To maximize the value of the database, the Department has included fields that will allow (but not require) firms in reporting gender, race, and ethnicity. This information is helpful for tracking and reporting purposes. The Department's goal is 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.



SIGNIFICANT ACCOMPLISHMENTS CONT'D

e-Contracts/Centralized Contract Repository for the City

The Department is currently maintaining a database of over 900 contracts. During the last fiscal year, at the request of the City Commission, 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 centralized contract repository is an ongoing effort as contracts continue to be executed individually by departments. As such, there is no way to capture these contracts for the centralized repository. In order to address this ongoing issue, the Procurement Department is working with the Information Technology (IT) Department and the City Attorney's Office to create an electronic contract workflow to incorporate electronic signatures to streamline the development and contract approval process. The e-contracts system is expected to be operational in the fall of 2022.

Vendor Advocacy

Many governmental vendors often do not know whom to contact for assistance with several 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.

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SIGNIFICANT ACCOMPLISHMENTS CONT'D

The Vendor Help Desk is staffed by personnel 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 collect data on the types of issues vendors centrally may be experiencing.

During this period, over 5,000 vendors reported incidents had 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 followed up every 2-3 days until resolved. Given the increase in competition, the Vendor Advocate Help Desk appears to be a huge success. Many vendors have expressed gratitude for providing a centralized advocate for any issues they may encounter.

Reducing Back Log of Items Pending Legal Approval

The Department has worked with the City Attorney's Office to establish a reporting and review process for items pending review and approval. The Department has dedicated one Procurement Contracting Officer II position to work directly with the City Attorney's Office so that a contract attorney may be hired to be dedicated primarily to procurement and contract issues. These actions have resulted in a significant reduction in the time required to review items, as well as the number of items pending review.

CRITICAL SUCCESS FACTORS

Well Trained Staffing

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. Training resources continue to be of critical importance to develop existing staff.

Continue Streamlining the Procurement Process

The Procurement Department, with the 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 continues to update procedures to reflect recent City Code changes, streamline processes in all functional areas, and incorporate internal control best practices.

CRITICAL SUCCESS FACTORS CONT'D

Enhance Technology

Efficiently creating, negotiating, and managing contracts is essential for every organization. Manual contracting processes are time-consuming and prone to standard data entry errors. Electronic contract tools streamline the contracting process while decreasing financial and audit risks. The Procurement Department is working with the IT Department to evaluate options for continuing to streamline, through an electronic tool, the City's contracting process.

FUTURE OUTLOOK

The Procurement Department continues to streamline and improve while maintaining internal controls, the management of the acquisition of goods and services by city departments with the goal of maximizing taxpayer resources 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 to help raise the trust and credibility of the City among constituents and improve the efficiency of acquisition practices by city departments.

This upcoming year, the Procurement Department is striving for the prestigious Quality Public Procurement Departments (QPPD) accreditation by NIGP – The Public Procurement Institute. The QPPD Accreditation is a value-driven self-assessment for public procurement departments based on best practices. The critical success factors identified above are necessary to achieve the stated goal. Based on the accreditation process, the department is envisioning a reorganization to better align resources with priorities.