

PROCUREMENT

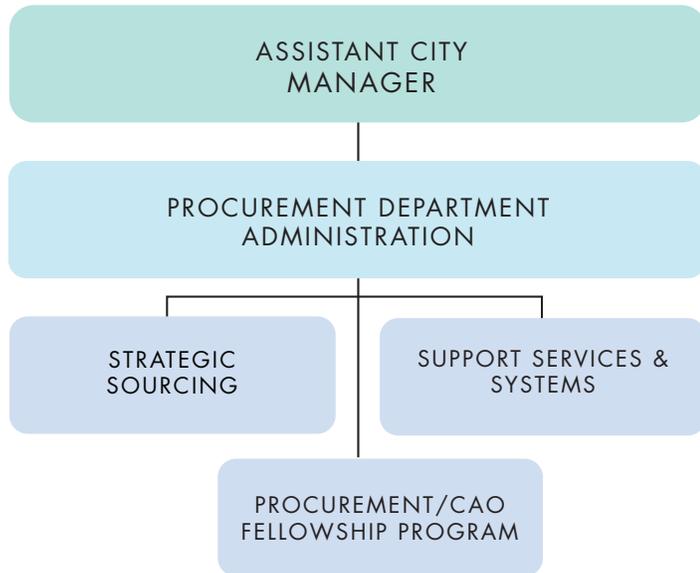
DEPARTMENT MISSION STATEMENT

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, it 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 a 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), North Beach Community Redevelopment Agency (CRA), 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

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

- Over the last five fiscal years, the Department has facilitated approximately \$25.9 million in savings to the City through competition and negotiations:

FY 2018	\$ 4,453,493
FY 2019	\$13,233,159
FY 2020	\$ 3,425,200
FY 2021	\$ 2,433,063
FY 2022	\$ 2,414,540

- The Procurement Department continues to expand the availability of contracts available for purchase via the Miami Beach e-Marketplace to provide departments a streamlined option for acquiring a variety of maintenance, repair, or operational (MRO) items at discounted pricing established through competitively solicited contracts
- 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 (SBE/DBE), as certified by Miami-Dade County. The City's spend with SBE/DBE and LGBT businesses over the last fiscal year was nearly \$12 million.
- The Procurement Department manages a database of over 900 contracts. For contracts resulting from competitive solicitations, the department also manages each contract's compliance with insurance and bonding requirements. The City Manager has also tasked the department with reviewing all contracts generated by departments for the acquisition of goods and services to ensure compliance with relevant policies.
- 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.
- To address vendor concerns and expedite the resolution of issues, the Procurement Department manages the Vendor Help Desk. During the last fiscal year, 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, and managing vendor profiles.



SIGNIFICANT ACCOMPLISHMENTS CONT'D

- To expedite contract review and approvals, the Department gave up one Procurement Contracting Officer II position 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.
- The Department continues to exceed a number of performance benchmarks, including the number of days for approval of requisitions/change orders and the number of days to award invitations to bid. However, a number of benchmarks are lower this year due to an increased volume of work and an inability to fill vacant positions due to labor market conditions.
- The Department spearheaded a process to prevent contracts from being executed before a full review by the applicable departments (procurement, budget, risk management, etc.). This has added significant volume to the department, which will need to be addressed.
- The Department continues to stress the importance of professional certification as a means for achieving the best possible standards in public procurement. Currently, 90 percent of certification-eligible staff are certified.

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CRITICAL SUCCESS FACTORS

- 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 developing existing staff.
- 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.
- 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. It is necessary to address the staffing issues created by work added to the Department's purview.

FUTURE OUTLOOK

The Procurement Department continues to streamline and improve processes while maintaining internal controls, and 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.

