

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



FROM: Purchasing and Fleet Services Department

SUBMITTAL DATE:
July 18, 2012

SUBJECT: Budget Adjustment to the Purchasing Department General Fund and amend Ordinance No. 440 pursuant to Resolution No. 440-8898 submitted herewith.

RECOMMENDED MOTION: That the Board of Supervisors approve and direct the Auditor-Controller to increase appropriations in the Purchasing Department budget by \$113,145 as outlined in Attachment A, and adopt the recommendations outlined in Ordinance No. 440 pursuant to Resolution No. 440-8898.


BACKGROUND: The Purchasing Department expects to receive additional reimbursements that were not budgeted for in FY 2013. The First Five Commission has requested a Contract Procurement Specialist position be imbedded in their administrative team on a full-time basis in FY 2013 to handle purchasing activities. In exchange, First Five will reimburse the Purchasing Department the total cost of salary and benefits for the position and the cost of administrative overhead.


(Continued on page 2)


ROBERT J. HOWDYSHELL, Director
Purchasing and Fleet Services Dept.

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 113,145	In Current Year Budget:	No
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	Yes
	Annual Net County Cost:	\$ 0	For Fiscal Year:	FY 2013

SOURCE OF FUNDS: First 5	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input checked="" type="checkbox"/>

C.E.O. RECOMMENDATION: **APPROVE**
BY: 
Serena Chow
County Executive Office Signature

FISCAL PROCEDURES APPROVED
PAUL ANGULO, CPA, AUDITOR-CONTROLLER
BY:  7/23/12
SAMUEL WONG
Approved by Barbara A. Oliver,
Asst. County Executive Officer/
Human Resources Director

Consent Policy
 Consent Policy

Dept Recomm.:
Per Exec. Ofc.:

Prev. Agn. Ref.: District: Agenda Number: **3.44**

BOARD OF SUPERVISORS

FORM 11: Budget Adjustment to the Purchasing Department General Fund

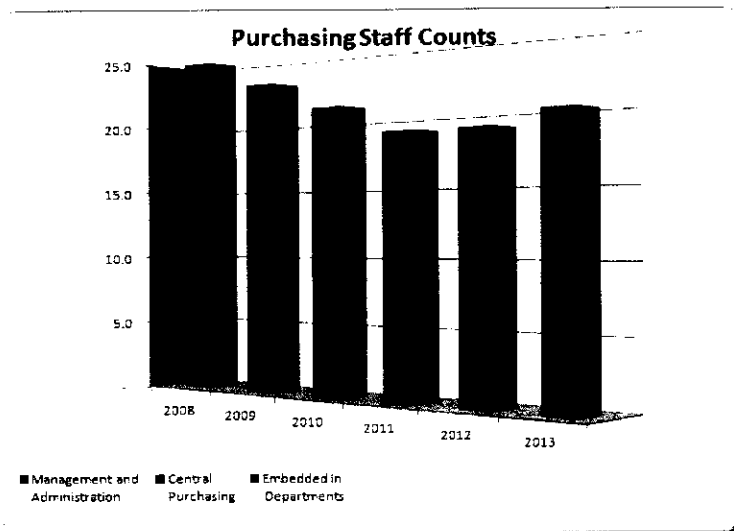
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BACKGROUND (Continued)

The primary function of Purchasing is to provide materials and services critical to the on-going operations of Riverside County to departments and agencies. Purchasing staff members are involved in obtaining goods and services needed at the most economical cost. They fill a key role in ensuring State and/or County government code, regulations and policies are consistently and fairly applied to the purchasing process and, thus, help to protect the financial resources and image of Riverside County. In a period of tough economic times, professional purchasing actions are even more important to negotiate better prices, terms, conditions, and to receive the best value for the dollars spent.

The Purchasing Department has two primary funding sources; NCC and direct billing to other departments for dedicated procurement staff. Direct billing revenue came about because for several years NCC dollars have not provided for an adequate number of procurement staff to meet County requirements. Therefore, some County departments entered into agreements with Purchasing to fund procurement positions in return for a funded staff member's exclusive attention to their purchasing needs. Overall, this approach has proven beneficial for both Purchasing and the departments providing funding.

The result of this Board action will increase the total Purchasing Department positions to twenty, of which 10.4 FTEs will be assigned to other departments in exchange for funding.



BOARD OF SUPERVISORS

FORM 11: Budget Adjustment to the Purchasing Department General Fund

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BACKGROUND (Continued)

Purchasing Department Staff FTE Counts:

Fiscal Year	Management and Administration	Central Purchasing	Embedded In Departments	Total Staff
2008	8.0	9.7	7.3	25.0
2009	7.0	6.2	9.8	23.0
2010	6.0	5.3	9.7	21.0
2011	5.0	4.6	9.4	19.0
2012	5.0	4.6	9.4	19.0
2013	5.0	4.6	10.4	20.0

2 Attachments:

- A. Purchasing Department FY 2013 Budget Adjustment
- B. Memorandum of Understanding between The County of Riverside Purchasing Department and First 5, Riverside

Attachment A

**Purchasing Department
FY 2013 Budget Adjustment**

Increase Appropriations:

10000	7300100000	510040	Regular Salaries	\$72,300
10000	7300100000	518100	Budgeted Benefits	\$27,980
10000	7300100000	520200	Communications/Space/Overhead	\$12,865

Increase Estimated Revenue:

10000	7300100000	777520	Reimbursement for Services	\$113,145
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**MEMORANDUM OF UNDERSTANDING BETWEEN
THE RIVERSIDE COUNTY PURCHASING DEPARTMENT
AND FIRST 5 RIVERSIDE
(aka The Riverside County Children and Families Commission)**

Whereas First 5 Riverside, hereafter called First 5 is in need of a more timely response and an increased limit on spending authority, this Memorandum of Understanding (MOU) is entered into with the Riverside County Purchasing Department, hereafter called Purchasing. In order to accomplish the above, First 5 will fund one full-time Procurement Contract Specialist with spending authority of at least \$100,000. The term of this MOU is 07/01/2012 to 06/30/2013, with automatic renewal each fiscal year. If it is not desired to continue, notice of termination Section 5 applies. The following is mutually agreed between the parties mentioned above:

TERMS AND CONDITIONS

1. Position Allocation

- a. First 5 agrees to fund one full-time Procurement Contract Specialists in County Purchasing who will work exclusively on First 5 contracts and purchases. Should the need for full time dedication be reduced, First 5 and Purchasing shall work together to establish a schedule to share the resource and billing will be pro-rated accordingly.
- b. The selection of individuals to fill these positions will be the joint responsibility of Purchasing and First 5. If, after a period of time, it is determined to be in the best interest of the County, employee or departments, the individual may be rotated to a different position within the Purchasing department. The movement and replacement individual will be mutually agreeable by both Purchasing and the First 5.
- c. Purchasing and First 5 will be individually responsible for orienting the PCS to operational policies and procedures.
- d. County Purchasing agrees to the following: (1) ensure that the Procurement Contract Specialist will work exclusively on First 5 contracts and purchases or on County wide contracts where the First 5 is the prime user; (2) will work directly with the First 5 Contracts and Purchasing Units and (3) allow First 5 to establish priorities.

2. Position Location

- a. The assigned Procurement Contract Specialists will have work space available at both the Purchasing and First 5 facilities.
- b. The Procurement Contract Specialists will report directly to County Purchasing. "It is anticipated that 10% of the time, (daily contacts and meetings), the Procurement Contract Specialists will report directly to the Purchasing facility and about 90% of the time the Procurement Contract Specialist will report directly to an office located at the First 5 administration facility. The employee will at all times be under the direct supervision and control of the Director of County Purchasing or his/her designee."

- c. Purchasing and First 5 shall be responsible to provide the necessary equipment, i.e., computers, phones, etc, for the PCS to function at their respective locations.

3. Funding

- a. First 5 shall pay actual salary, benefits, and a prorata share of overhead for this position allocation for all time periods when the position is filled. For budgetary purposes, the estimated **annual** cost for fiscal year 2012/2013 will be \$113,145 (\$62.57 hourly) per position and is dependant on the salary step level of the actual person filling this position. This agreement includes a standard escalation clause, which will approximate the nominal salary and benefit increases for the occupant of the position which will be reflected in the hourly rate at the time the increases occur. The position will be billed to 25800-938002-510330. Billing will be done quarterly, in arrears, based on the actual hours during the MOU period of performance.
- b. This MOU is valid only if sufficient funds are made available to First 5 for FY12/13 and subsequent renewal periods. In addition, this MOU is subject to any additional restrictions, limitations, or conditions enacted by any statute, which may affect the funding of this MOU in any manner.

4. Amendments

- a. This MOU may be amended by written mutual consent of both parties. The amendment shall be in writing and signed by both parties hereto, and no oral understanding not incorporated, herein, shall be binding on any of the parties hereto.

5. Termination

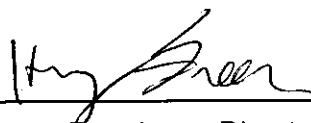
- a. In the event the person assigned Procurement Contract Specialist in this position terminates, this MOU will not terminate.
- b. Normal term of this agreement is one year. Either County Purchasing or First 5 may terminate this MOU. Written notice must be given at least 90 days prior to renewal. No cause termination is acceptable.

This Memorandum of Understanding is not in effect or enforceable until signed by all parties. Upon signature, each Department will be responsible for informing their line staff of this MOU and issuing any needed directive for implementation of this MOU.

Signed by:



Robert Howdysnell, Director
Riverside County
Purchasing and Fleet Services Departments



Harry Freedman, Director
First 5 Riverside
Riverside County Children and Families
Commission

RESOLUTION NO. 440-8898

BE IT RESOLVED by the Board of Supervisors of the County of Riverside, State of California, in regular session assembled on _____, 2012, that pursuant to Section 4(a)(ii) of Ordinance No. 440, the Director of Purchasing and Fleet Services is authorized to make the following listed change(s), operative on the date of approval, as follows:

<u>Job Code</u>	<u>+/-</u>	<u>Department ID</u>	<u>Class Title</u>
15813	+ 1	7300100000	Procurement Contract Specialist