

Priority: Accountability
Program Offer Type: Internal Service
Related Programs: 71041, 71042, 71045
Frameworks:

Lead Agency: County Business
Program Contact: Dave Boyer

Executive Summary

Materiel Management provides goods and supplies to County programs and other government agencies to lower overall costs to the community. By serving multiple agencies, Materiel Management can buy in volume and acquire products at discounted prices. By centralizing product receiving, inventory control, warehousing, accounts payable, and product delivery, it is able increase efficiency and to reduce the total effort expended on these functions by customer programs.

Program Description

Materiel Management provides professional buying services and centralizes the transactional efforts required to: purchase goods, receive goods into the county financial and inventory asset systems; reconcile and authorize payment of vendor invoices; maintain a prudent but adequate level of inventory; and fill orders for delivery to all County programs and 170 programs in 62 other agencies. To support these activities, they provide clean, secure, and environmentally controlled storage, maintain a pharmacy wholesale license, manage health product recalls, and obtain product discounts of up to 65% off retail.

Program Justification

Materiel Management effectively supports the Accountability strategy, "manage assets and service delivery costs effectively", in a number of ways. By purchasing high volumes of goods at discounted prices and providing these products to 62 other government agencies, it maximizes the use of existing assets and reduces service delivery costs for the County and other customer agencies. In the procurement of family planning products for all Title X provider agencies partnering with the State Family Planning Program, the program receives volume discounts and provides centralized quality control and record-keeping services which is of significant value to all receiving agencies. These approaches provide "more bang for the local buck" by spreading some of the County's fixed costs to other customers. The centralization of more of the County's goods receiving and accounts payable transactions to Materiel Management reduces overall County transactional efforts.

Performance Measures

Online stock orders filled in 24 hours - Target 90%, FY04 - 95.61%, FY06 - >90%
Central Stores Annual Inventory Turns - Target > 5, FY04 - 7.49, FY06 - > 5

Summary of last year's program results and this year's expected results

In FY04, Generated \$189,639 in external agency revenue which was 27% of the program cost.

In FY05, Incorporated the Fleet, Electronics, and Transportation warehouse management and specialty procurement which is anticipated to improve those operations.

In FY06, Generate increased external revenue by expanding the customer base.
Reduce departmental effort by centralizing more goods receiving and payable transactions.

Program Mandate: 4 Program and Funding Level Choice

Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
	2005	2005	2006	2006
Program Expenses				
Personnel	\$0	\$865,769	\$0	\$912,919
Contracts	\$0	\$883	\$0	\$714
Materials & Supplies	\$0	\$34,948	\$0	\$37,898
Internal Services	\$0	\$286,398	\$0	\$338,807
Unappropriated & Contingency	\$0	\$0	\$0	\$642,349
Subtotal: Direct Exps:	\$0	\$1,187,998	\$0	\$1,932,687
Administration	\$0	\$0	\$0	\$97,911
Program Support	\$0	\$0	\$0	\$0
Subtotal: Other Exps:	\$0	\$0	\$0	\$97,911
Total GF/non-GF:	\$0	\$1,187,998	\$0	\$2,030,598
Program Total:	\$1,187,998		\$2,030,598	
Program FTE	0.00	0.00	0.00	13.00
Program Revenues				
Fees, Permits & Charges	\$0	\$1,011,426	\$0	\$1,137,747
Intergovernmental	\$0	\$188,900	\$0	\$196,900
Other / Miscellaneous	\$0	\$0	\$0	\$674,349
Program Revenue for Admin	\$0	\$0	\$0	\$28,515
Total Revenue:	\$0	\$1,200,326	\$0	\$2,037,511

Explanation of Revenues

Materiel Management is funded by an allocation system through the Distribution Fund. Total program costs for FY06 are reduced by anticipated external revenues and the net balance is allocated to departments based on each department's share of the total value of County products processed by Materiel Management in FY04.

Charges to other governments are set as a 10% surcharge of product cost and are estimated at \$196,900 for FY06.

Significant Program Changes

No significant program changes are proposed for FY06.