

Lead Agency: County Management

Program Contact: Garret Vanderzanden

Program Offer Type: Internal Service

Related Programs:

Program Characteristics:

Executive Summary

Materiel Management provides goods and supplies to County Departments and other government agencies. By aggregating government supply needs Materiel Management can buy in volume at discounted prices. By centralizing product procurement, receiving, inventory control, warehousing, invoice reconciliation and input, and delivery, Materiel Management reduces the total governmental effort expended on materiel acquisition.

Program Description

Materiel Management provides professional buying services and centralizes the transactional efforts required to: purchase and 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 229 non-County programs. To support these activities, Materiel Management provides clean, secure, and environmentally controlled storage, maintains a pharmacy wholesale license, manages health product recalls, and obtains deep product discounts as compared to the retail market.

Materiel Management purchased and distributed \$6,745,976 in materiel in FY09 across 250+ partners, including Family Planning products to external State Family Planning partners. This enables the program to offset operating costs through external revenues and to extend County funds through higher volume purchasing. 1,059,612 items were received and distributed in FY09. 16,451 orders were fulfilled with 52,557 line items shipped. 2,398 purchase orders were executed with 4,839 subsequent accounts payable and receivable transactions. Centralizing these functions allows for leveraging of staff expertise as well as operational economies of scale which increase efficiencies and leads to reduced costs per item.

Centralized commodities procurement enables the County to more easily meet Sustainability targets. Examples include use of post consumer recycled waste content in paper supplies, use of green janitorial supplies and development of a county-wide battery and e-waste recycling program.

Materiel Management also serves a vital role in emergency preparedness planning for Multnomah County. The program is a component of the Receipt, Stage, and Storage Center and functions as a high-security, central contact point for receipt and distribution of supplies and equipment for Multnomah County in the event of an emergency.

Performance Measures

Measure Type	Primary Measure	Previous Year Actual (FY08-09)	Current Year Purchased (FY09-10)	Current Year Estimate (FY09-10)	Next Year Offer (FY10-11)
Output	Number of material items issued in fiscal year	1,059,612	1,150,000	1,224,136	1,287,568
Outcome	External revenue	288,169	300,000	296,680	300,000
Efficiency	Number of inventory turns within FY	8	8	8	8
Quality	Customers receive ordered goods within 24 hrs	90.0%	90.0%	90.0%	90.0%

Performance Measure - Description

“Inventory turns” is an industry standard that indicates how many times the entire inventory is replaced in a year. 5 to 7 inventory turns are considered the benchmark. Numbers below this reflect the stocking of low demand inventory, which increases overall costs.

Legal/Contractual Obligation

Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
Program Expenses	2010	2010	2011	2011
Personnel	\$0	\$1,018,882	\$0	\$1,004,872
Contracts	\$0	\$1,600	\$0	\$172,860
Materials & Supplies	\$0	\$3,038,489	\$0	\$3,184,366
Internal Services	\$0	\$450,571	\$0	\$405,927
Unappropriated & Contingency	\$0	\$0	\$0	\$664,936
Total GF/non-GF:	\$0	\$4,509,542	\$0	\$5,432,961
Program Total:	\$4,509,542		\$5,432,961	
Program FTE	0.00	12.60	0.00	12.20
Program Revenues				
Fees, Permits & Charges	\$0	\$4,510,451	\$0	\$4,410,509
Other / Miscellaneous	\$0	\$772,740	\$0	\$1,022,452
Total Revenue:	\$0	\$5,283,191	\$0	\$5,432,961

Explanation of Revenues

Material Management is funded by an allocation system through the Distribution Fund. Total program costs for FY11 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 Material Management in FY09. As required by County Code charges to other governments are set as a 10% surcharge of product cost and are estimated at \$296,680 for FY10.

Significant Program Changes

Last year this program was: #72085, FREDS Materiel Management