

Lead Agency: Department of County

Program Contact: Garret Vanderzanden

Program Offer Type: Internal Service

Related Programs: 78020

Program Characteristics: Climate Action Plan

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 \$6,834,824 in materiel in FY10 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. 1,330,505 items were received and distributed in FY10. 16,702 orders were fulfilled with 59,925 line items shipped. 2,349 purchase orders were executed with 6,068 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 countywide 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.

These efforts contribute to the Climate Action Plan activities related to local government operations, item numbers: 18-8, 18-9

Performance Measures

Measure Type	Primary Measure	Previous Year Actual (FY09-10)	Current Year Purchased (FY10-11)	Current Year Estimate (FY10-11)	Next Year Offer (FY11-12)
Output	Number of material items issued in fiscal year	1,330,505	1,287,568	1,082,602	1,082,602
Outcome	External revenue	291,865	300,000	274,669	300,000
Efficiency	Number of inventory turns within FY	8	8	7	8
Quality	Customers receive ordered goods within 24 hrs	89	90	90	90

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

Receipt, Stage and Storage Center (also known as RSS) role in support of County Emergency Management and County Health Department during emergency response operations. Distribution Services and Central Stores in concert are the only local RSS to be officially certified by the State of Oregon. During emergency response operations the RSS has also functioned as a regional distribution point for the Tri-County area.

Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
Program Expenses	2011	2011	2012	2012
Personnel	\$0	\$1,004,872	\$0	\$1,043,203
Contracts	\$0	\$172,860	\$0	\$131,319
Materials & Supplies	\$0	\$3,184,366	\$0	\$3,136,976
Internal Services	\$0	\$405,927	\$0	\$401,216
Unappropriated & Contingency	\$0	\$664,936	\$0	\$644,436
Total GF/non-GF:	\$0	\$5,432,961	\$0	\$5,357,150
Program Total:	\$5,432,961		\$5,357,150	
Program FTE	0.00	12.20	0.00	12.20
Program Revenues				
Fees, Permits & Charges	\$0	\$4,410,509	\$0	\$4,337,356
Other / Miscellaneous	\$0	\$1,022,452	\$0	\$1,019,793
Total Revenue:	\$0	\$5,432,961	\$0	\$5,357,149

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 FY10. As required by County Code charges to other governments are set as a 10% surcharge of product cost and are estimated at \$274,669 for FY10.

Significant Program Changes

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