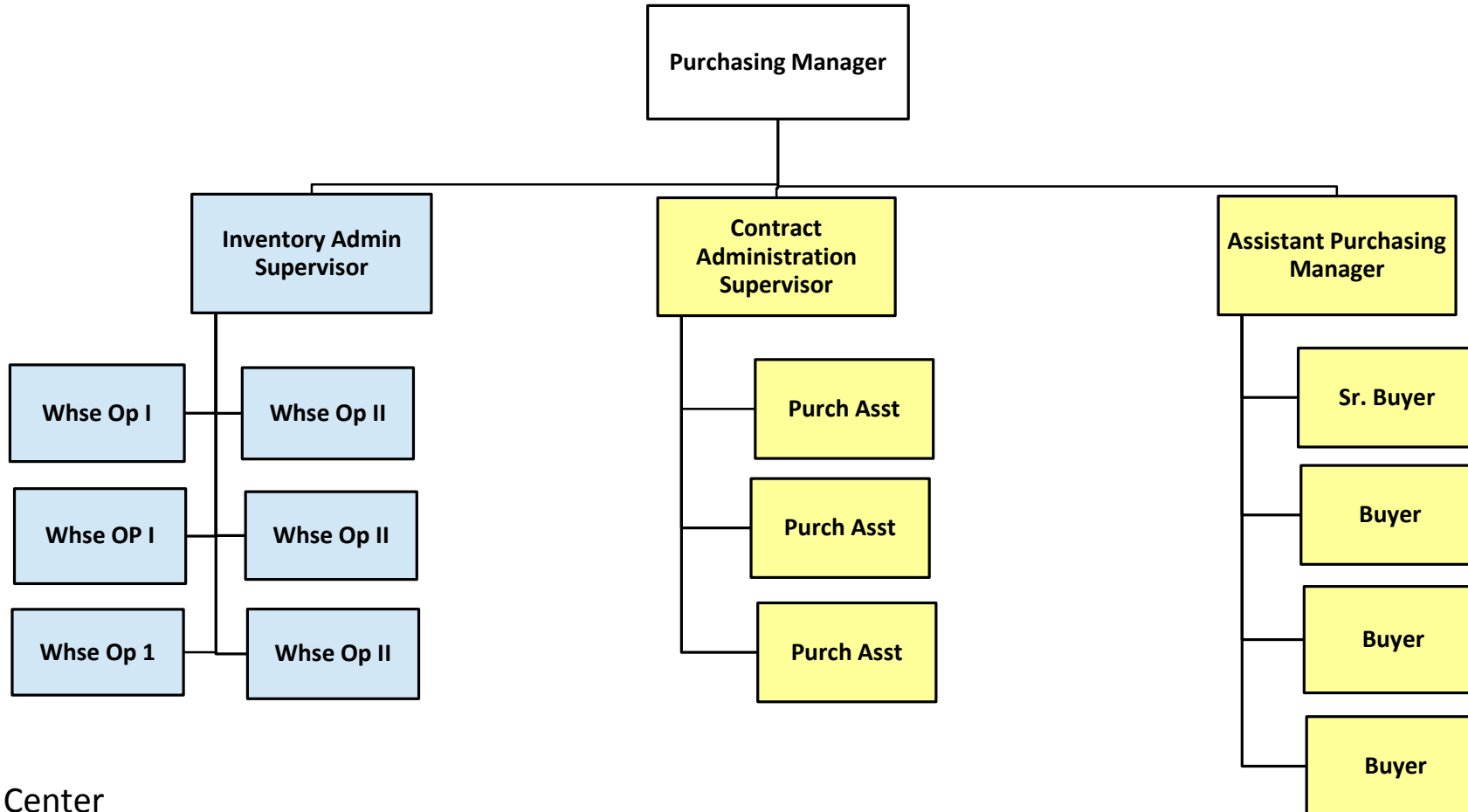


Materials Management

Denton City Council
Department Presentation



Materials Management Organizational Chart



Blue = Distribution Center

Yellow = Purchasing

Materials Management Business Units & Functional Areas

Distribution Center	Purchasing
7 FTEs	10 FTEs
Inventory management of goods	Formal solicitations (bidding)
After hours utility support	Contract management
Centralized shipping & receiving	Processing of POs for goods & services
Postage and external mail	P-card administration
Courier/Internal mail delivery	Surplus disposal (auction)

Materials Management Accomplishments & Goals

Accomplishments

- Developed standard quotation template
- Developed new RFP timeline planning tool
- Conducted organization wide procurement training
- Transitioned Transmission and Substation inventory to DC

Goals

- Improve division culture & reputation
- Improve communication & accessibility
- Establish KPIs & operational reporting

Materials Management Performance Measures- Current

Distribution Center	Purchasing
Total sales	Processing time for standard solicitations from receipt of complete specifications to contract award.
Sales orders issued, lines and value	Total solicitations and contracts executed
Inventory turns per year	Purchasing orders issued, lines and value
Inventory on-hand value	Total contracts managed
Total stock keeping units (SKU) managed	Procurement cards managed, transactions, total spend

Materials Management Performance Measures- Proposed

Financial	Efficiency
<ul style="list-style-type: none">• Managed spend• % of total spend under contract• % of purchases by method	<ul style="list-style-type: none">• Solicitation Cycle Time• Requisition to PO cycle time• Days sales of inventory (DSI)
Customer Focus	Cost Containment
<ul style="list-style-type: none">• Customer satisfaction• Vendor satisfaction• Solicitation Satisfaction	<ul style="list-style-type: none">• Net cost per managed spend• Inventory carrying cost• Auction cost/benefit

Materials Management Process Improvements

Completed Process Improvements

- Streamlined electronic contract storage in laser fiche
- Standardized pick lists for project goods

Proposed Process Improvement

- Streamline solicitations, contract retainage, and vendor setup
- Streamline requisitions, purchase orders, & receivers
- Outsource auction duties & insurance verification

Materials Management Budget Highlights

Expenses	FY 2014-15 Actuals	FY 2015-16 Actuals	FY 2016-17 Budget	FY 2017-18 Proposed
Personal Services	\$1,242,725	\$1,342,952	\$1,479,453	\$1,558,065
Materials & Supplies	\$43,616	\$38,209	\$41,303	\$36,553
Inventory	\$8,349,452	\$11,761,087	\$14,975,056	\$15,873,469
Maintenance & Repair	\$18,629	\$24,881	\$24,300	\$24,300
Insurance	\$24,293	\$23,759	\$23,878	\$25,347
Miscellaneous	\$986	\$1,164	\$1,000	\$1,000
Operations	\$108,806	\$120,296	\$112,550	\$112,550
Debt Service	\$47,934	\$48,334	\$48,036	\$49,477
Cost of Service	\$875,045	\$738,359	\$983,870	\$438,097
Total	\$10,711,486	\$14,099,041	\$17,689,446	\$18,118,858

Materials Management

Questions / Comments

