

Purchasing Internal Service Fund

General Government

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Internal Service Fund	2017-2018 Actual	2018-2019 Adjusted	2019-2020 Requested	2019-2020 Recommended	Increase/ (Decrease)
Expenditures					
Services & Supplies	\$7,330,616	\$7,234,375	\$7,568,500	\$7,568,500	\$334,125
Centrally-Budgeted Expenses	446,756	89,218	9,485	9,485	(79,733)
Total Appropriations	\$7,777,372	\$7,323,593	\$7,577,985	\$7,577,985	\$254,392
Earned Revenues By Source					
Interest/Rents	\$20,614	\$18,000	\$18,000	\$18,000	\$0
Operating Transfers In	10,000	0	0	0	0
MP-TEL-RADIO Revenue	7,378,036	7,234,375	7,559,985	7,559,985	325,610
Total Revenues	\$7,408,650	\$7,252,375	\$7,577,985	\$7,577,985	\$325,610
Revenues Over/(Under) Expenses	\$368,722	\$71,218	\$0	\$0	(\$71,218)

Purpose

The Purchasing Internal Service Fund (ISF) (#8400112100, #8400112200, #8400112300) serves as an operating mechanism for the Procurement Card (CAL-Card), Office Supply, Copy Machine, Security Alarm, and Bottled Water programs. Vendor charges are paid from the ISF and billed to user departments.

- \$31,125 Increase in reimbursement for copier leases, bottled water, and security alarm systems.

Major Budget Changes

Services & Supplies

- \$303,000 Increase in credit card purchases by departments.
- \$20,000 Increase in copier leases.
- \$6,125 Increase in number of security alarm systems.
- \$5,000 Increase in bottled water costs.

Centrally-Budgeted Expenses

- (\$79,733) Cost Allocation Plan adjustment.

Expenditure Reimbursements

- \$294,485 Increase in reimbursement from departments for credit card purchases.

Program Discussion

Procurement Card Program

San Joaquin County participates in the State CAL-Card Visa Program, providing users with the option to procure a limited number of low-dollar items quickly and efficiently. The Program allows departments to make day-to-day purchases from a wide range of sources, saving the County both time and money when compared to procurement of the same items using the Purchase Order method. All CAL-Card users are trained on the guidelines pertaining to use, prior to receiving a credit card. Purchases from each card holder are audited thoroughly. There are currently 464 cardholders generating approximately 20,861 transactions per year, an increase of 383 from 2017-2018. Total estimated purchases were \$3.8 million, an increase of \$245,000 from 2017-2018.

Office Supply Program

The current office supply vendor contract with Office Depot provides fiscal advantages resulting in reduced costs to all departments. The cooperative contract includes a 13% average discount for core products purchased, while maintaining a small rebate. Prompt weekly payment processing to the vendor provides an additional 2% discount. These lower prices have reduced supply costs Countywide. Administrative processing fees help offset the cost of

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administering this contract. Purchases under this Program are projected at \$1.3 million in 2018-2019.

Copy Machine Program

There are currently 463 leased copiers in the Copy Machine Program producing approximately 55.5 million copies a year, an increase of approximately 234,000 from 2017-2018. Many older copiers have been replaced with newer models at a reduced rental rate and cost-per-copy price.

The lease program provides the best possible overall copier solution that meets cost, performance, and environmental objectives.

Security Alarm Program

Contracts for security alarm services are administered by the Purchasing Department. There are currently 100 service

contracts in effect for the County, which is an increase of 7 compared to 2017-2018. Centralized billing and contracting provided by Purchasing has allowed oversight of this service and ensures that all contracts are properly executed.

Purchasing ISF Fund Balance

Program costs in the Purchasing ISF budget are fully reimbursed by user departments for services rendered. As of June 30, 2018, the Purchasing ISF had a designated fund balance of \$1,362,166, which is a decrease of \$368,722 from June 30, 2017, and serves as the working capital for various programs/operations under the ISF. This fund meets the required minimum 60-day operating reserve set by the State Controller's guidelines.

Workload Data

	-----Actual-----			Est./Act. 2018-2019	Projected 2019-2020
	2015-2016	2016-2017	2017-2018		
Procurement Card					
<i>Cards Issued</i>	430	433	462	464	465
<i>Transactions</i>	19,046	20,015	20,478	20,861	21,100
<i>Total Charges</i>	\$3,216,499	\$3,494,548	\$3,516,041	\$3,760,958	\$3,800,000
<i>Average Transaction Value</i>	\$169	\$175	\$172	\$180	\$180
Office Supply (Office Depot)					
<i>Value of Purchases</i>	\$1,387,898	\$1,330,888	\$1,327,019	\$1,300,000	\$1,315,247
Copy Machine					
<i>Copy Machines Installed</i>	415	448	458	463	463
<i>Lease Payments</i>	\$1,057,819	\$1,161,594	\$1,339,805	\$1,400,000	\$1,400,000
<i>Copy Transactions</i>	51,669,313	53,984,445	55,265,942	55,500,000	55,500,000
Security Alarm					
<i>Contracts</i>	86	87	93	100	100