



CITY COUNCIL AGENDA REPORT

MEETING DATE: August 5, 2014

ITEM NUMBER:

SUBJECT: EXTENSION OF FTOG, INC. PROFESSIONAL SERVICE AGREEMENT FOR INTERIM BUYER SUPPORT

DATE: July 25, 2014

FROM: FINANCE DEPARTMENT/PURCHASING DIVISION

PRESENTATION BY: STEPHEN DUNIVENT, INTERIM FINANCE DIRECTOR

**FOR FURTHER INFORMATION CONTACT: KIM WILSON, PURCHASING SUPERVISOR
714-754-5062**

RECOMMENDED ACTION:

City Council approval of an Amendment to Professional Services Agreement (PSA) with FTOG, Inc. to provide Interim Buyer services for six (6) months with an increase to the PSA in the amount of \$48,600, while the City completes the hiring process for the full-time permanent Buyer position.

BACKGROUND:

The City entered into a Professional Services Agreement with FTOG, Inc. in December 2013 for \$48,600, to perform Interim Buyer duties that had been previously performed by a City employee who resigned. The Interim Buyer has been intricately involved in the processing of Purchase Requisitions to Purchase Orders (P.O.), obtaining bids, quotes and assisting with Request for Proposals (RFPs), budget validations and adherence to the City's Purchasing Policy and Municipal Code.

The time it takes to process a P.O. has increased from one (1) to two (2) weeks due to the influx of requests Citywide. Staff is working diligently to close the gap and shorten this timeframe, which will likely increase without an Interim Buyer.

ANALYSIS:

The table below show the consistent increase in purchases throughout the City, with significant increases over the last (2) two fiscal years.

	FY 2013-14	FY 2012-13	FY 2011-12
Purchase Requisitions	745	643	504
	15.5% increase over FY 2012-13	28% increase over FY 2011-12	

The number of requisitions received in the first month of FY 2014-15 and the increased number of construction projects approved for this year is an early indicator that the City's procurement needs will likely surpass that of previous years. This trend and the Division's desire to provide excellent customer service and support to the City requires the continued support of an Interim Buyer until the hiring process has been completed.

ALTERNATIVES:

City Council may choose not to extend the contract and leave the position vacant. This will impact the time to process Purchase Requisitions, Purchase Orders, obtain quotes and assisting in Requests for Proposals.

FISCAL REVIEW:

There are currently two (2) vacant full-time Buyer positions budgeted for \$190,752 in the FY2014-15 budget. Salary savings from these vacancies are currently being used to fund the Interim Buyer; and, these savings will continue to fund the \$48,600 Amendment to the Professional Services Agreement until a permanent full-time Buyer is hired. No budget adjustment is necessary at this time, and any adjustment to the Consulting budget will be done as part of the Mid-Year Budget Review.

LEGAL REVIEW:

The City Attorney has reviewed the documents and approved them as to form.

CONCLUSION:

Staff recommends the approval of the FTOG, Inc. contract amendment to ensure that the Purchasing Division meet the procurement demands of the City until a full-time permanent Buyer has been hired.

STEPHEN DUNIVENT
Interim Finance Director

THOMAS R. HATCH
City CEO

TOM DUARTE
City Attorney

Attachment 1: [FTOG, Inc. Contract](#)
Attachment 2: [FTOG, Inc. Amendment](#)