

Notes on Measure and how Multnomah County Uses it

Note: This is an internal document which applies specifically to Multnomah County Purchasing's use of the Measure tool. It is provided for illustration purposes only. Each user of Measure will need to determine their definitions.

Overall Spend- also referred to at the Annual Operating Budget (AOB), this is defined as the Total Net Budget within Multnomah County. I took this number from the chart included in the Budget Director's message included with the annual budget.

Non-Payroll Spend- is the AOB minus any payroll and related costs. For our figure, I also included the risk fund as a payroll related cost. To get this number and the Influenceable spend number, see APPENDIX 1- Determining non-payroll and non-Influenceable spend

Payroll and related costs are the sum of the following cost elements:

- 60000 Permanent
- 60100 Temporary
- 60110 Overtime
- 60120 Premium
- 60130 Salary Related Expns
- 60135 Non Base Fringe
- 60140 Insurance Benefits
- 60141 Ins Bnft Med Credits
- 60145 Non Base Insurance

Influenceable Spend- this is the spend over which the Procurement function has influence. I defined it as the sum of the following cost elements:

- 60155 Direct Client Assistance
- 60160 Pass-Thru & Program Support
- 60170 Professional Services
- 60180 Printing
- 60220 Repairs and Maintenance
- 60230 Postage
- 60240 Supplies
- 60246 Medical Supplies
- 60250 Food
- 60280 Insurance
- 60290 Software License and Maintenance
- 60310 Drugs
- 60530 Buildings
- 60540 Other Improvements
- 60550 Capital Equipment

Savings calculation methodology is consistent with the methods outlined in the [Benchmarking Cost Savings & Cost Avoidance](#) Research Brief issued by the National Association of State Procurement Officials (September 2007)

PROJECTS

**Project Ref*

For procurements, use the procurement number

**Project Title*

For procurements, use the procurement type followed by the name

Internal Objective

- **Spend management** – paying as little as possible for quality goods and services. This includes things like p-card rebates, contract discounts, contract price reductions, etc. Occasionally, we also receive settlements from suppliers resulting from contract enforcement.
- **Demand management** – Limiting how much we need to buy. This includes reduced costs for paper by setting printer servers to duplex or changing systems to provide electronic output. It also includes costs avoided by re-using materials such as guardrail, signs, and other materials that are still serviceable.
- **Supply management** – Buying only what we need and getting the most use from it. Our investment recovery program redistributes office furnishings and supplies within the department. We coordinate with other agencies to exchange items. We also recycle metal through contracts that provide rebates. Finally, after we're sure we don't have another use for something in the department, it goes into the state's surplus stream and we receive a return on the recovered value.
- **Process management** – Reducing the costs of accomplishing necessary tasks. This overlaps and supports other areas and includes things like p-card transaction cost avoidance (which is measureable) and resetting server defaults, improving inventory practices, encouraging online ordering, and gaining early influence on decision cycles (which are not measureable).

Previous contract value / list price-

Enter contract value from the baseline year.

Populating these fields will allow a user to identify possible '**Price Reduction**' efficiencies.

When calculating cash efficiencies the starting point should be the difference between the **(Current Contract Value / List Price) – (Previous Contract Value / List Price)** paid at the start of the spending

review period.
If no contract existed previously, use the last price paid.

Current contract value-

Enter the anticipated final contract value that will act as a target for the Project.

Project start date-

For procurements, this is the Advertising date of the procurement.

Project end date-

For procurements, this is the date the contract is in place (for bids), or the end of the protest period (for proposals).

EFFICIENCIES

File Notes-

Use this field to document any calculations used to arrive at the efficiency savings.

NASPO Cost Avoidance Model- Tier One

1. Informal Quotes & Competitive Sealed Bidding

A. Single Award / Single Line Item

i) One Time Purchase

Subtract the awarded amount from the average of all the bids received.

ii) Term Contract

Calculate the bid total for the life of the contract for each bid by multiplying the unit price submitted by each responsive and responsible bidder by the actual or estimated number of units to be purchased under the contract for the term of the contract, including any renewal options. Subtract the awarded amount from the average of all bid totals.

B. Single Award / Multiple Line Items

i) One Time Purchase

Add all to-be-awarded line items for each individual responsive and responsible bid received to obtain an individual bidder bid

total. Subtract the awarded bid total amount from the average of all the bid totals.

ii) Term Contract

Calculate the bid line item total for the life of the contract for each bid by multiplying the unit price submitted by each responsive and responsible bidder for each line item by the actual or estimated number of units to be purchased under the contract for the term of the contract, including any renewal options. Add all line item totals for each bid to obtain a bid total for each bid. Subtract the awarded amount from the average of all bid totals.

C. Multiple Awards / Single Line Item

i) One Time Purchase

Subtract the *lowest* awarded amount from the average of all the bids received.

ii) Term Contract

Calculate the bid total for the life of the contract for each bid by multiplying the unit price submitted by each responsive and responsible bidder by the actual or estimated number of units to be purchased under the contract for the term of the contract, including any renewal options. Subtract the *lowest* awarded amount from the average of all bid totals.

D. Multiple Awards / Multiple Line Items

i) One Time Purchase

Calculate the total of each individual line item for all responsive and responsible bids received to create a line item total. Calculate the average of each the line item totals. If a bidder didn't submit a bid for a particular line item don't include that bid when calculating the average. Subtract the awarded line item amount from the average for that line item to get the amount of cost avoidance for that line. Sum the cost avoidance for each line to calculate cost avoidance for the entire bid.

ii) Term Contract

Calculate the bid total for the life of the contract for each bid by multiplying the unit price submitted by each responsive and

responsible bidder by the actual or estimated number of units to be purchased under the contract for the term of the contract, including any renewal options. Add the line item totals for each bid to obtain an overall line item total. Calculate the average of each line item total. Subtract the awarded line item amount from the average for that line item to get the amount of cost avoidance for that line. Sum the cost avoidance for each line to calculate cost avoidance for the entire bid.

2. Competitive Sealed Proposals (RFP Procurement)

As applicable, the steps outlined for each award type conducted under Quotes and Competitive Sealed Bidding may be used. In general, however, the basic process is to take the awarded suppliers cost from the average of all the acceptable suppliers responses. If the awarded cost is higher do not report.

APPENDIX 1- Determining non-payroll and non-Influenceable spend

Open the report ZF_FM_D003- Budget and Planning- Commitments & Actuals FM/CO Recon

Find all the available variants by clearing out the Created by name:

Find Variant

Variant		
Environment		
Created by	SMITHB	
Changed by		
Original language		

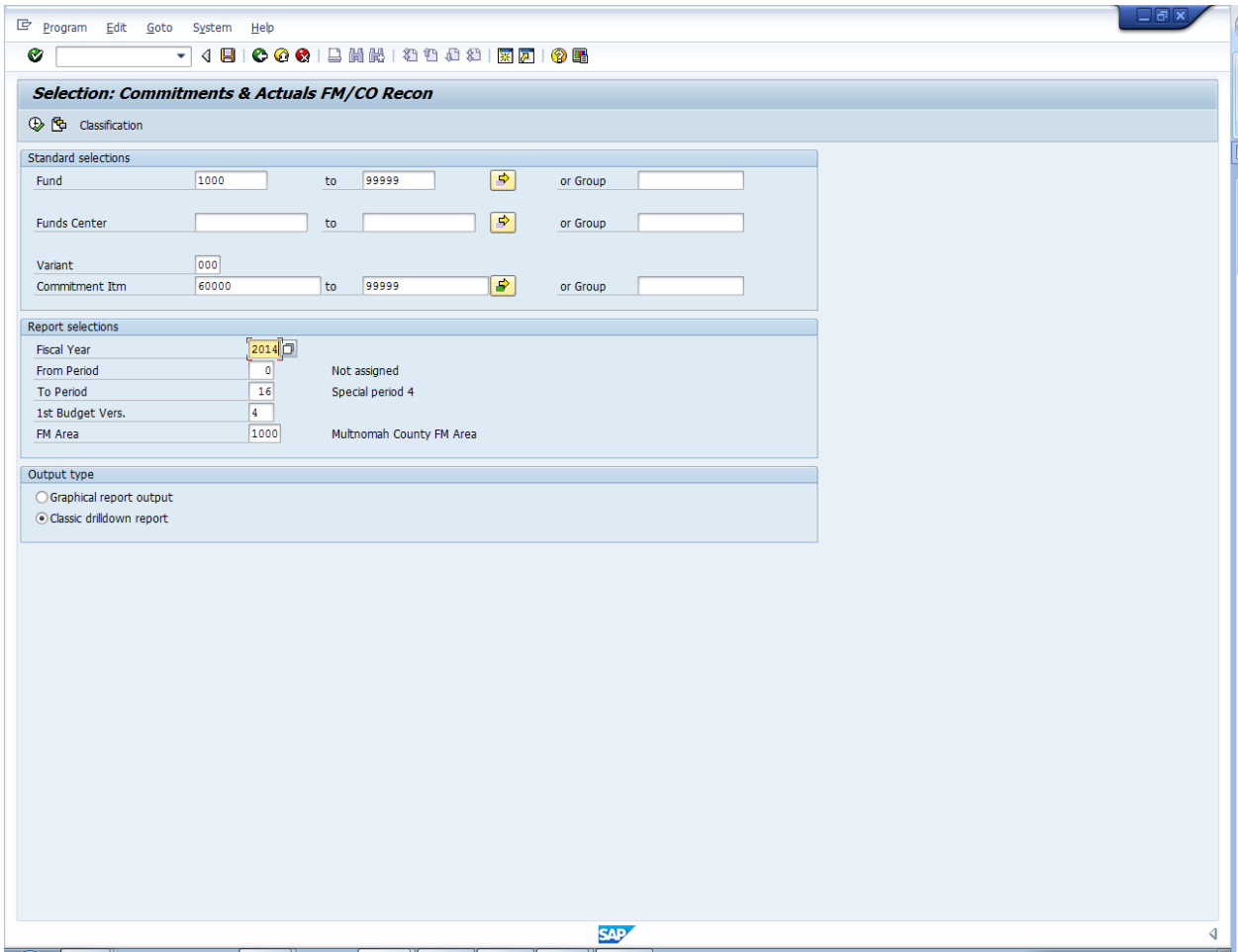
The List of available variants pops up. Select the one below.

ABAP: Variant Directory of Program GP4BI93XLVTU44GTPFRYGLLKJ9C

Variant Catalog for Program GP4BI93XLVTU44GTPFRYGLLKJ9C

Variant name	Short Description	Environment	Protected	Changed by	Last Changed on
/CDY MODEXP	CDY Modified Accl Exp.	A		YAGERC	08/13/2013
/DA	All ModAcclRevExp no Depriatn	A			
/DA YEC EXP	Year End Closing Exp only	A		DAYYC	08/10/2012
/DCJ-YEAREND	DCJ - MOD ACCRUAL REVEX	A		RESAREJ	08/23/2010
/FEDSTATE BWC	Review BWC in Fed/State Fund	A		FITZPACX	06/20/2012
/FM/MOM	ALL MOD ACCRUAL REVEX	A			
/GEN FD MODEXP	Gen Fd Modified Accl Exp.	A			
/GEN FD REVEX	Gen Fd ALL MOD ACCRUAL REVEX	A			
/GL ALL REV	GL ALL MODIFIED ACCRUAL REV	A		THOMPSPA	05/31/2011
/GL AUD PR EXP	Payroll exp for audit	A			
/GL BWC EXCEPT	/GL BWC EXCEPTIONS	A			
/GL DEPT IND	GL 50370	A			
/GL EM	Emergency Managemet Fund Cente	A			
/GL EXP	GL ALL MOD ACCRUAL EXP	A		MORAVIBJ	12/18/2012
/GL ISF 9 EXP	GL GASB34 ISF SECONDARY EXP	A			
/GL ISF EXP	GL GASB34 ISF EXP 10-50	A		THOMPSPA	09/29/2010
/GL ISF REV	GL GASB34 ISF REV 50310, 50370	A		THOMPSPA	09/29/2010
/GL REV EXP IC	GL MOD ACCRUAL REV EXP~I/C DOC	A			

In the selection criteria, add five 9's to the fund end date number and change the fiscal year to the one you want.



Note: the 1st budget version: 4 =Adopted, 0 = Revised (current). Use the Adopted budget to keep things consistent every year.

The results look something like this:

Report Edit Goto Navigate Extras Settings System Help

Execute Commitments & Actuals FM/CO Recon: Overview

Current data (09/17/2013 10:54:50)

Navigation
 Cost Center
 WBS Element
 Order
 Commitment Item

Funds Center	2014 Commitments	2014 Actuals	2014 Obligations	2014 Bdgt Vers.4	2014 Remain Bdgt	2014 % Used
1000/1000 Multnomah County	259,139,507.21	174,414,482.30	433,553,989.51	1,602,351,382.00	1,168,797,392.49	0.27057
1000/10 Non Departmental	31,919.60	12,990,421.57	13,022,341.17	106,130,529.00	93,108,187.83	0.12270
1000/15 District Attorney	283,964.74	4,080,373.41	4,364,338.15	26,797,151.00	22,432,812.85	0.16287
1000/25 Cnty Dept of Hum Svc	91,539,773.90	30,909,557.06	122,449,330.96	222,701,985.00	100,252,654.04	0.54983
1000/40 Health Department	1,127,109.08	23,822,076.92	24,949,186.00	165,401,423.00	140,452,237.00	0.15084
1000/50 Community Justice	14,523,878.35	11,590,476.61	26,114,354.96	89,286,485.00	63,172,130.04	0.29248
1000/60 Sheriff's Office	881,820.79	20,960,121.15	21,841,941.94	122,289,784.00	100,447,842.06	0.17851
1000/60 Library	204,658.18	10,611,434.52	10,816,092.70	87,188,579.00	56,372,486.30	0.16098
1000/72 Dept Of County Mgmt	20,753,885.87	24,301,244.43	45,055,130.30	129,121,388.00	84,066,257.70	0.34894
1000/91 Community Services	121,323,704.13	18,891,749.87	140,215,454.00	224,720,628.00	84,505,174.00	0.62395
1000/17 Service Districts		54,821.15	54,821.15	2,629,700.00	2,574,878.85	0.02085
1000/18 Visitor's Fac Trust		6,887.16	6,887.16		(6,887.16)	0.00000
1000/19 Countywide		338,021.02	338,021.02	191,310,750.00	190,972,728.98	0.00177
1000/78 County Assets	8,468,792.57	15,857,297.43	24,326,090.00	188,490,926.00	164,164,836.00	0.12906
1000/81 Library District				66,282,054.00	66,282,054.00	0.00000
Total	259,139,507.21	174,414,482.30	433,553,989.51	1,602,351,382.00	1,168,797,392.49	0.27057

Click on the Diamond next to Multnomah County,
 Then click on Commitment item. Results should look something like below:

Report Edit Goto Navigate Extras Settings System Help

Execute Commitments & Actuals FM/CO Recon: Overview

Navigation: Cost Center: Funds Center: 1000/1000 Multnomah County

Current data (09/17/2013 10:54:50)

Commitment Item	2014 Commitments	2014 Actuals	2014 Obligations	2014 Bdgt Vers.4	2014 Remain Bdgt	2014 % Used
1000/60000-0 Personnel Expenditur		82,213,753.61	82,213,753.61	501,117,616.00	418,903,862.39	0.16406
1000/60000 Permanent		45,966,131.80	45,966,131.80	289,591,236.00	243,625,104.20	0.15873
1000/60100 Temporary		1,941,363.35	1,941,363.35	8,648,736.00	6,707,372.65	0.22447
1000/60110 Overtime		2,088,386.04	2,088,386.04	2,787,537.00	699,150.96	0.74919
1000/60120 Premium		683,769.30	683,769.30	3,199,651.00	2,515,881.70	0.21370
1000/60130 Salary Related Expsns		17,035,314.44	17,035,314.44	106,114,061.00	89,078,746.56	0.16054
1000/60135 Non Base Fringe		365,894.40	365,894.40	1,419,844.00	1,053,949.60	0.25770
1000/60140 Insurance Benefits		13,848,552.77	13,848,552.77	88,644,444.00	74,795,891.23	0.15623
1000/60145 Non Base Insurance		109,391.51	109,391.51	712,107.00	602,715.49	0.15362
1000/60141 Ins Bnft Med Credits		174,950.00	174,950.00		(174,950.00)	0.00000
1000/60000-1 Materials/Services	147,014,796.25	81,615,525.81	228,630,322.06	889,782,883.00	661,152,560.94	0.25695
1000/60150 Cnty Match & Sharing		197,237.20	197,237.20	36,709,924.00	36,512,686.80	0.00537
1000/60160 Pass-Thru & Pgm Supt	98,676,296.07	17,806,961.44	116,483,257.51	236,274,367.00	119,791,109.49	0.49300
1000/60170 Professional Svcs	16,259,376.23	7,162,822.69	23,422,198.92	57,540,985.00	34,118,786.08	0.40705
1000/60180 Printing	431,044.06	254,441.10	685,485.16	2,369,697.00	1,684,211.84	0.28927
1000/60190 Utilities	113,805.00	877,808.15	991,613.15	7,069,559.00	6,077,945.85	0.14027
1000/60200 Communications	3,105,030.48	631,267.66	3,736,298.14	5,056,533.00	1,320,234.86	0.73891
1000/60210 Rentals	188,253.01	1,587,274.18	1,775,527.19	5,920,339.00	4,144,811.81	0.29990
1000/60220 Repairs and Maint	592,563.50	629,160.21	1,221,723.71	7,396,264.00	6,174,540.29	0.16518
1000/60230 Postage	55,742.28	128,010.31	183,752.59	1,858,916.00	1,675,163.41	0.09885
1000/60240 Supplies	2,995,262.95	2,847,762.11	5,843,025.06	14,221,888.00	8,378,862.94	0.41085
1000/60245 Lib Books & Matrls	27,250.00	1,602,666.05	1,629,916.05	6,795,000.00	5,165,083.95	0.23987
1000/60246 Medical Supplies	119,295.78	335,959.95	455,255.73	1,921,697.00	1,466,441.27	0.23690
1000/60250 Food	312,377.97	625,294.59	937,672.56	3,494,822.00	2,557,149.44	0.26830
1000/60260 Travel & Training	2,000.00	407,605.65	409,605.65	2,976,195.00	2,566,589.35	0.13763
1000/60270 Local Travel/Mileage	8,654.00	328,015.25	336,669.25	2,412,931.00	2,076,261.75	0.13953
1000/60280 Insurance	19,232,081.17	13,590,102.88	32,822,184.05	54,899,277.00	22,077,092.95	0.59786
1000/60290 Software Lic / Maint	732,826.95	2,123,167.92	2,855,994.87	8,432,325.00	5,576,330.13	0.33870
1000/60310 Drugs	46,827.75	1,106,667.17	1,153,494.82	11,463,064.00	10,309,569.08	0.10063
1000/60320 Refunds		1,621.52	1,621.52	3,500.00	1,878.48	0.46329
1000/60330 Claims Paid		4,353,040.63	4,353,040.63	28,383,081.00	24,030,040.37	0.15337
1000/60340 Dues & Subscriptions	50,074.16	313,346.12	363,420.28	1,291,091.00	927,670.72	0.28148
1000/60350 Central Indirect		393,622.63	393,622.63	6,926,156.00	6,532,533.37	0.05683
1000/60355 Dept Indirect		712,863.56	712,863.56	11,534,631.00	10,821,767.44	0.06180
1000/60370 Intl Svc Telephone		356,831.43	356,831.43	3,531,694.00	3,174,862.57	0.10104
1000/60380 Intl Svc Data Proc		3,160,940.80	3,160,940.80	34,624,009.00	31,463,068.20	0.09129
1000/60410 Intl Svc Motor Pool		418,124.78	418,124.78	5,359,130.00	4,940,005.22	0.07804

Export the results to Excel to filter out the fields you don't need to make the calculations.

FYI, Personnel costs has a summary line item labeled:

* 1000/60000-0 Personnel Expenditure