



METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

AGENDA

Procurement Standards Board August 10, 2017

Chairman's Remarks & Board Member Introductions	Ms. Talia Lomax-O'dneal
Procurement Division Overview	Ms. Michelle Lane
Office of Financial Accountability Prompt Pay Report	Ms. Michelle Lane
Purchasing Key Performance Indicators Report	Ms. Terri Troup
iSupplier/iProcurement Training Report	Ms. Starla Friedmann
SBE/SDV and MWBE Program Updates Annual Report	Mr. Bryan Gleason
Next Meeting Date	Ms. Angela Doss
Adjournment	Ms. Talia Lomax-O'dneal

Procurement Division

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Procurement Standards Board Minutes

April 27, 2017

Members attending: Ms. Talia Lomax O'dneal, Chair, Mr. Jon Cooper, Ms. Cynthia Croom and Ms. Mr. Don Hardin, Ms. Shannon Raybone

Others present: Mr. Jeff Gossage, Procurement Division; Ms. Terri Troup, Procurement Division; Ms. Nicki Eke, Department of Law; Mr. Bryan Gleason, BAO Division; Ms. Angela Doss, Procurement Division; Ms. Michelle Lane, Mayor's Office; Ms. Starla Friedmann, Procurement Division

Chairman Lomax O'dneal called the meeting to order.

Ms. Lomax O'dneal entertained an approval of the last meeting's minutes. They were approved unanimously.

Procurement Standards Overview - Mr. Jeff Gossage

Mr. Gossage explained that we looking at the 2nd quarter is seeing a lower transaction but now we have the second highest workload ever in the 3rd quarter.

Staffing, we have given opportunities to Terri Troup, Genario Pittman and Kevin Edwards to Finance Administrators. All three of them are highly educated and bring great knowledge to our organization. We have an energetic and computer savvy group.

Mr. Gossage spoke of the Bloomberg Group who will be accessing the procedures of Procurement and how we can ensure that all purchases will be done using the best practices. Ms. Lomax O'dneal presented to the board with the Bloomberg Group information and how the team was made up of former officials under Mayor Bloomberg. The group reached out to Mayor Barry and spoke of how Nashville is ready to expand and they thought Nashville was a perfect fit for them. Mr. Cooper stated that Mayor Bloomberg is very passionate and gives a lot of money and this was be a part of it. The firm is doing this with no cost to Nashville.

Ms. Lomax O'dneal explained how this will beneficial to all of Metro. This will be a long term engagement with the city and the Bloomberg Group will assist Metro in prioritizing the processes. Ms. Hernandez Lane explained the disparity study and the outcome of it.

Mr. Gossage gave an update to the new regulations for R4.12.093 Intergovernmental cooperative purchasing.

Office of Financial Accountability Prompt Pay Report Mr. Gossage

Mr. Gossage reviewed the Prompt Pay report submitted to the Office of Financial Accountability for the 3rd quarter. Metro and MNPS both underperformed during the 3rd quarter even though their performances are still within acceptable limits for timeliness of payments to vendors.

Metro's overall timeliness digressed from 8 days average to 10 days. MNPS' timeliness increased for an average of 7 days in the previous quarter to 11 days.

The Employee Benefit Board had the worst performance the 3rd quarter; its extreme lateness was due to payments to individuals or estates.

Mr. Gossage spoke of several vendors with a tardiness of submitting invoices and how a few departments are affected by this.

Procurement Performance Measurements - Ms. Terri Troup

Ms. Troup presented the Board with the reported savings by the Procurement Division. She also gave an overview of how savings are measured at three levels: Historical Savings, Budget Savings, and Negotiated Savings. The Historical Savings for 3rd quarter totaled **\$97,743**. Budgeted Savings for FY 17 was **\$4,934,374** and the Negotiated Saving for 3rd quarter was **\$2,309,194**. Ms. Troup also presented the FY 17 Workload Metrics, 43 RFPs completed, 31 ITBs completed, 3 Emergencies, 3 Sole Sources; 5 A&E Contracts and 38 Contract Amendments completed.

iSupplier/iProcurement Training Report-Ms. Starla Friedman

Ms. Friedmann stated that the overview of all training stats of 11 classes were taught and 43 employees attended. She also spoke of bringing on new departments onto iProcurement.

Minority-owned, Woman-owned, Service Disabled Veteran-owned and Small Business Utilization Report – Michelle Lane and Mr. Bryan Gleason

Mr. Bryan Gleason reviewed the reports submitted to the Board on utilization. The Disadvantaged Business report for the 3rd Quarter reveals a 4.72% MWBE participation and 15.627% SBE participation for a total DBE percent of 20.34%.

Next Meeting Date- August 10, 2017

Adjournment – Ms. Talia Lomax O'dneal, Chair

Chair Talia Lomax O'dneal moved that the meeting be adjourned. Receiving a second and unanimous vote, the meeting was adjourned.

Respectfully submitted,

DocuSigned by:

Angela Doss

Angela Doss, Secretary to the Board

APPROVED:

DocuSigned by:

Talia Lomax O'dneal

Talia Lomax O'dneal, Board Chair

Promptpay Report

August 9, 2017

Accompanying Charts

1. Timeliness

Metro-wide

2. Volume of

Transactions

3. Timeliness by

Department

4. Timeliness by Dept.

Previous Qtr.

ADL – Average Days
Late

Highlights

1) Overall Timeliness

Metro and Schools (MNPS) both achieved the same performance in the 4th quarter of 2017, which better than they had in the previous quarter in regards to timeliness of payments to vendors.

- Metro's overall timeliness improved from 10 days average in the 3rd qtr. to 8.0 days;
- MNPS' timeliness also improved from 11 days avg. in the previous quarter to 8.0 days.

2) Volume - The 4th quarter 2017 volume remained relatively the same as in the previous quarter for both Metro and for MNPS.

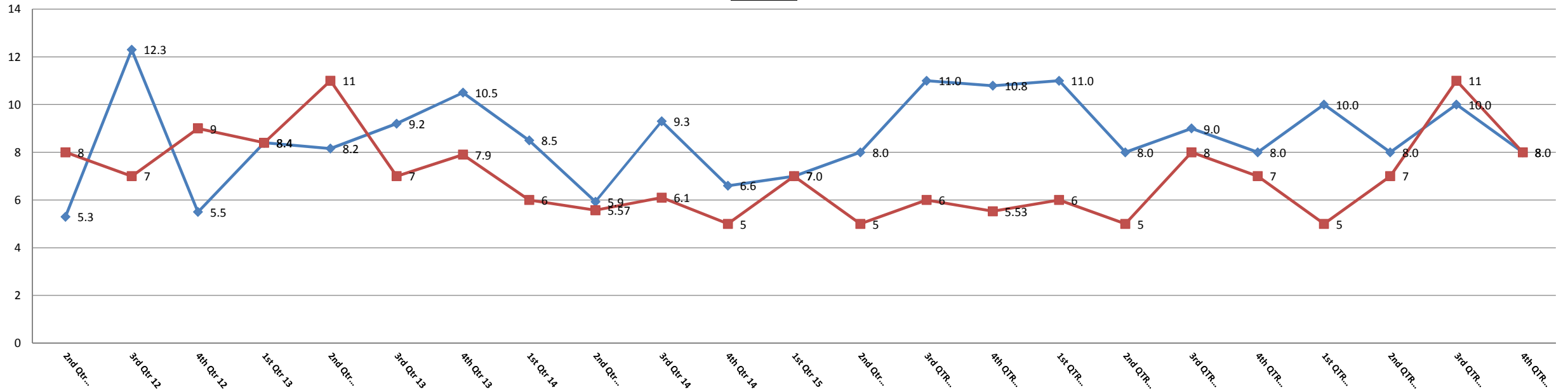
3) Departments – Reasons For Timeliness/Lateness

- Agricultural Extension** – 3 payments average 60 days late
Had 1 payment to the University of TN Agricultural Ext. Services that was 166 days late; therefore, it skewed their overall average. The University of TN invoices Metro quarterly for their share of employees' retirement/benefits. Ag Extension had an employee to retire on 10/31/2016. As a result of this retirement, extra time was needed to calculate the proper amount of cost. The initial invoice was incorrect and they had to wait for a corrected invoice.
- County Clerk** – 20 payments averaged 41 days late
6 out of the 8 extreme late payments was to Business Information Systems that averaged 112 days late. Payments were held until the County Clerk could locate all packing slips and invoices to ensure the invoices were not duplicates.
- Metro Council** – 22 payments averaged 38 days late
- Farmers' Market** – 103 payments averaged 20 days late
Farmers' Market had 4 payments to the TN Dept. of Revenue (Sales Tax Check) that were all 74 days late and per Farmers' Market they held payment until they could figure out is they actually owed the tax.
- Water and Sewer** – 3,221 payments averaged 18 days late
Had 16 payments to Protection One/Cam Connections that averaged 473.5 days late. We have had issues with this vendor across other departments in the past couple of quarters.
- Office of Emergency Mngt.** – 24 payments averaged 18 days late
One (1) payment to Northern Safety Co Inc. was 130 days late because the invoice contained errors that needed to be corrected prior to payment. Another extreme late payment was made to Ricoh. OEM had to an invoice that was submitted for payment for which they held until all the equipment was received.

Procurement Standards Board Meeting
August 10, 2017

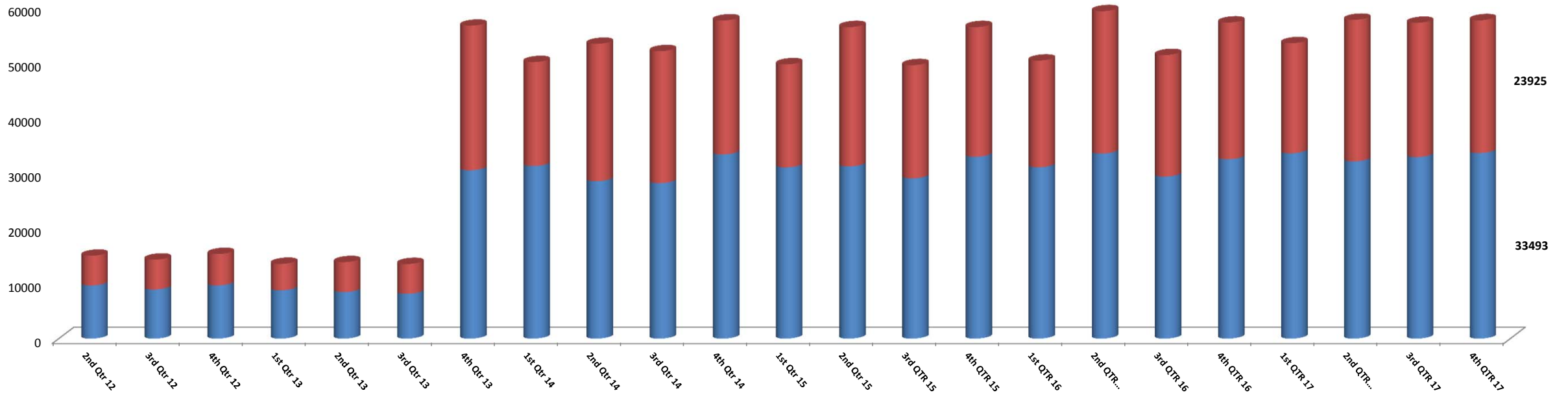
Prompt Pay - 2nd QTR 2012 through 4th Qtr 2017
Metro Government Overall vs Metro Schools
Timeliness

Metro
MNPS

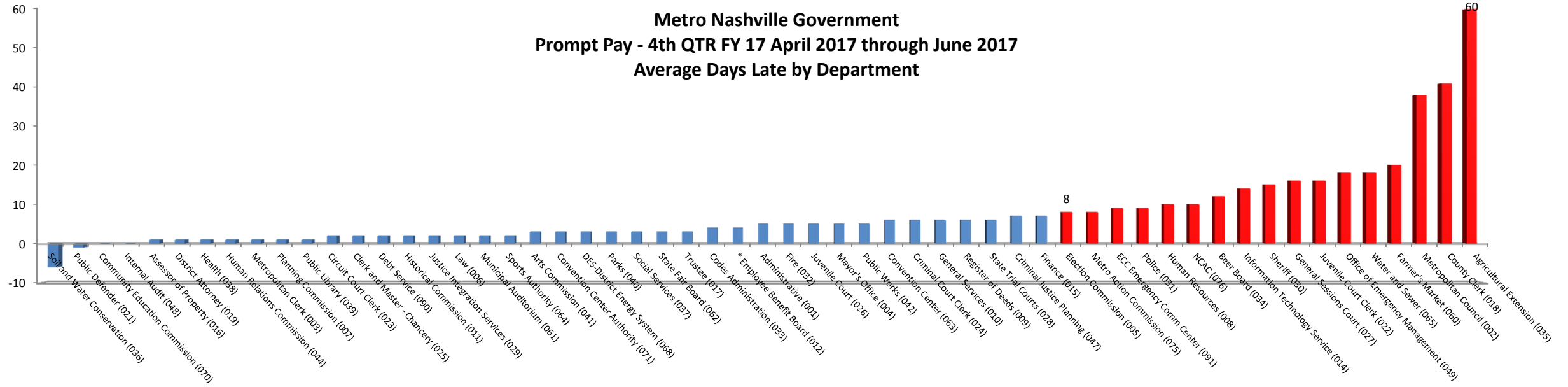


Prompt Pay - 2nd QTR 2012 through 4th Qtr 2017
Metro Government vs Metro Schools
Volume

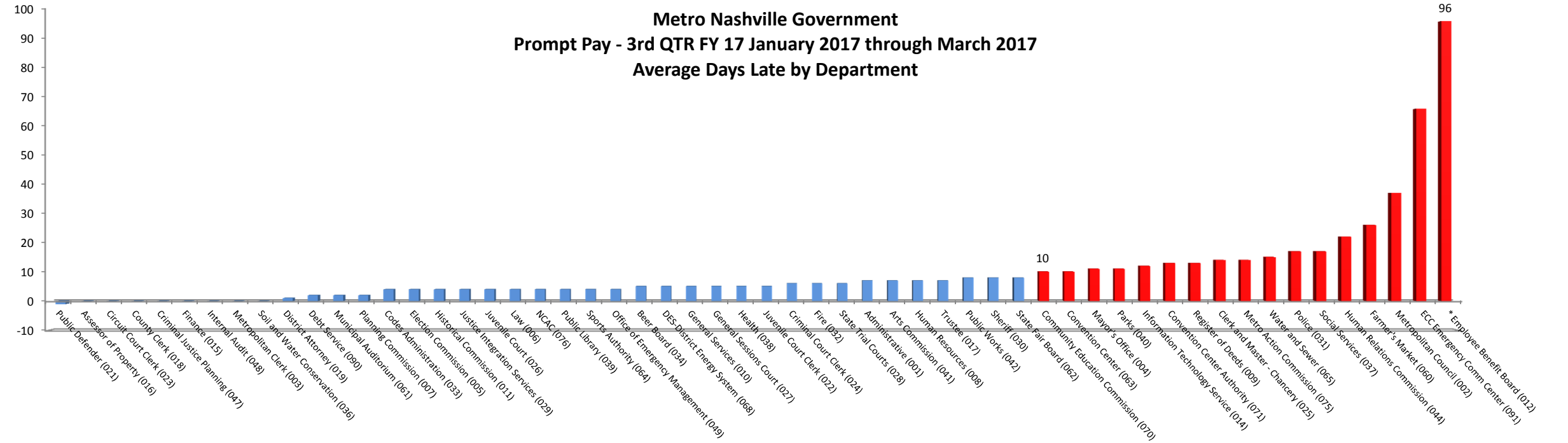
MNPS Metro



**Metro Nashville Government
 Prompt Pay - 4th QTR FY 17 April 2017 through June 2017
 Average Days Late by Department**



**Metro Nashville Government
 Prompt Pay - 3rd QTR FY 17 January 2017 through March 2017
 Average Days Late by Department**



Metro Procurement Nashville

4th Quarter 2016-17 - Key Performance Indicators

Procurements

Request for Proposals (RFP)	38
Invitation to Bid (ITB)	36
Professional Services (A&E)	1
Sole Source (<\$250k)	9
Sole Source (>\$250k)	0
Emergency	1
Cooperative	0

Transactions

		Amount	Avg Days to Complete
Total Purchase Orders	5,911	\$115,919,571	
Purchase Orders from Solicitations	28	\$4,729,182	30
Other Purchase Orders	5,883	\$111,190,389	
Contracts	47	\$239,439,872	110
Contract Amendments	11	\$22,313,211	42

Savings

Total Cost Savings	\$11,487,847	
Historical Cost Savings	\$7,521,305	65.47%
Budget Cost Avoidance	\$3,859,487	33.60%
Negotiated Cost Reductions	\$107,055	0.93%
Operating Budget	\$310,400	

Division Effectiveness

Key Performance Ratio	3700.98%
Historical Cost Savings	2423.10%
Budget Cost Avoidance	1243.39%
Negotiated Cost Reductions	34.49%

Paper Consumption

Reams of Virgin Paper	5220
Virgin Paper Cost	\$12,528
Reams of Recycled Paper	2070
Recycled Paper Cost	\$2,660



Fiscal Year 2016-17 - Key Performance Indicators

Procurements

Request for Proposals (RFP)	131
Invitation to Bid (ITB)	121
Professional Services (A&E)	15
Sole Source (<\$250k)	13
Sole Source (>\$250k)	1
Emergency	6
***Cooperative	3

Transactions

		Amount	Avg Days to Complete
Total Purchase Orders	24,163	\$458,261,452	
*Purchase Orders from Solicitations	50	\$6,293,132	42
*Other Purchase Orders	12,188	\$360,790,242	
**Contracts	158	\$1,042,587,967	108
**Contract Amendments	54	\$27,423,475	38

Savings

Total Cost Savings	\$34,007,900	
Historical Cost Savings	\$8,820,007	25.94%
Budget Cost Avoidance	\$18,016,453	52.98%
Negotiated Cost Reductions	\$7,171,440	21.09%
Operating Budget	\$1,263,000	

Division Effectiveness

Key Performance Ratio	2692.63%
Historical Cost Savings	698.34%
Budget Cost Avoidance	1426.48%
Negotiated Cost Reductions	567.81%

Paper Consumption

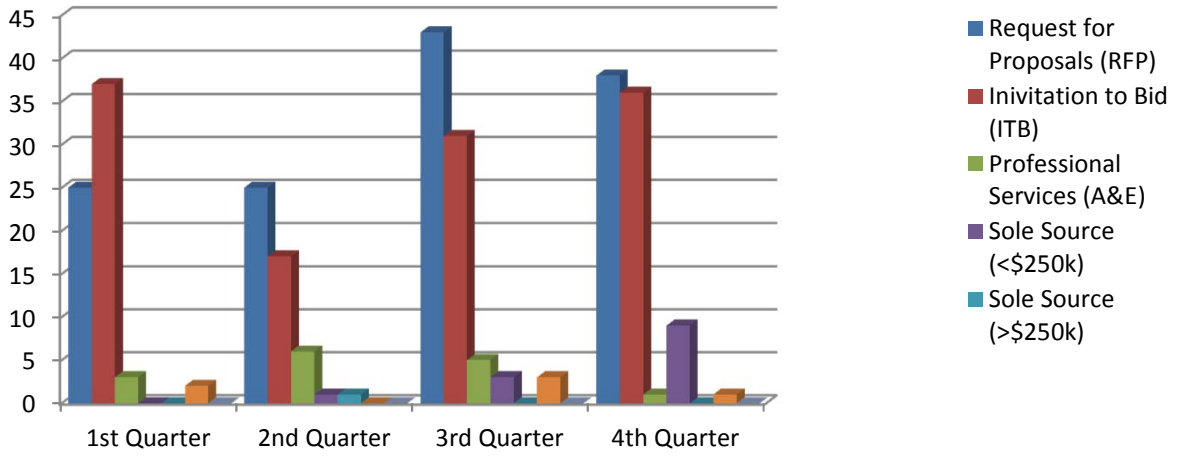
Reams of Virgin Paper	200,820
Virgin Paper Cost	\$502,365
Reams of Recycled Paper	29,830
Recycled Paper Cost	\$80,184

* Does not include 1st Quarter & 2nd Quarter data since the data was not collected and reported previously to PSB.

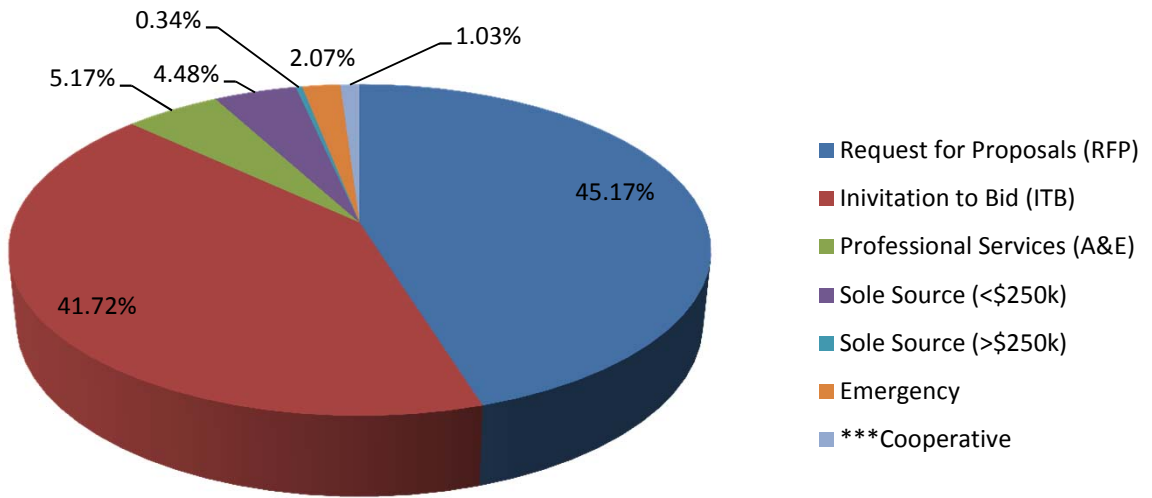
** Does not include 1st Quarter data since the data was not collected and reported previously to PSB.

*** Includes Cooperative Agreement not previously reported to PSB.

Procurement Activity Per Quarter



Fiscal Year 16-17 Procurements



***Includes Cooperative Agreement not previously reported to PSB.



Metropolitan Government of Nashville & Davidson County Business Utilization Quarterly Report Highlights FY 17 - 4th Quarter (April - June 2017)

Important points to note about the Metropolitan Government of Nashville & Davidson County's (Metro) business utilization for the fourth quarter of Fiscal Year 2017, BAO KPI Report Data:

1. The Metro Government spent: \$ 15,226,739 with MWBE prime contractors
\$ 2,594,426 with MWBE subcontractors
\$ 17,821,165 **TOTAL WITH MWBES**

Which represents **6.52 %** of the total of all procurement transaction values.

2. The Metro Government spent: \$40,264,021 with SBE prime contractors
\$ 6,060,112 with SBE subcontractors
\$46,324,133 **TOTAL WITH SBES**

Which represents **16.95%** of the total of all procurement transaction values.

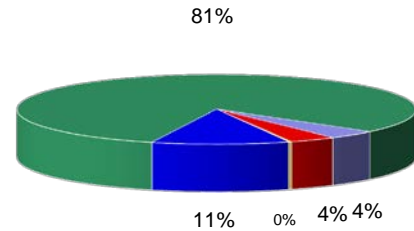
3. The Metro Government achieved *DBE utilization of **23.47 %** at the prime and subcontract level.

*DBE is defined as businesses having small, minority or woman ownership.

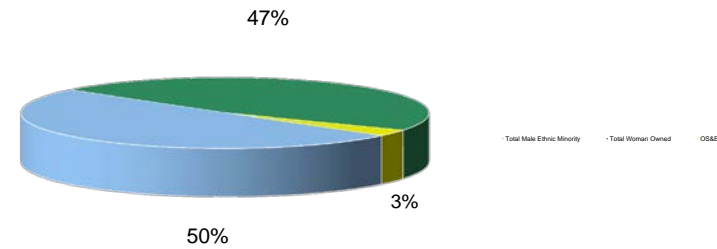
Fiscal Year 2016 Disadvantaged Business Quarterly Report
4th Quarter (April - June 2017)

	Disadvantaged Business														Totals			% of Disadvantaged Business		
	Ethnic Minority Male Only						Woman Owned								Total Disadvantaged Business	Non-Ethnic Male	Large Business	Total of All Business		Total % Including Subcontract Payments
	African American	Hispanic	Asian	Native American	Non-Specific Male Minority	Total Male Ethnic Minority	African American	Hispanic	Asian	Native American	Non-Specific Female Minority	Non-Ethnic Female	Total Woman Owned	OS&E*						
Metro General Government	\$5,979,348	\$16,554	\$301,863	\$311,188	\$0	\$6,608,953	\$120,584	\$3,762	\$0	\$1,575	\$0	\$8,465,926	\$8,591,847	\$25,939	\$15,226,739	\$40,264,021	\$217,722,398	\$273,213,158	5.57%	6.52%
**Metro General Government (Subcontractor)	\$348,785	\$0	\$575	\$0	\$0	\$349,360	\$42,073	\$38,276	\$155,262	\$0	\$0	\$1,848,788	\$2,084,399	\$160,667	\$2,594,426	\$6,060,112		\$8,654,538	0.95%	
Metro Board of Education	\$1,221,231	\$43,761	\$70,212	\$3,175,963	\$0	\$4,511,167	\$50,907	\$128	\$836	\$1,886	\$1,190,635	\$127,903	\$1,372,295	\$988,071	\$6,871,533	\$4,843,145	\$58,408,383	\$70,123,061	9.80%	
**Metro Board of Education (Construction)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!	
Nashville Electric Service (1)	\$1,861,521	\$620,431	\$194,831	\$0	\$0	\$2,676,783	\$139,402	\$0	\$614	\$2,665	\$0	\$857,577	\$1,000,258	\$0	\$3,677,041	\$1,427,393	\$26,491,561	\$31,595,995	11.64%	
Metro Development and Housing Agency	\$531,606	\$37,695	\$104,360	\$18,062	\$0	\$691,723	\$0	\$0	\$0	\$256,176	\$0	\$256,176	\$0	\$947,899	\$94,525	\$1,614,771	\$2,657,195	35.67%		
Metro Transit Authority	\$17,500	\$0	\$0	\$0	\$243,000	\$260,500	\$0	\$0	\$0	\$0	\$135,000	\$0	\$135,000	\$0	\$395,500	\$0	\$6,694,000	\$7,089,500	5.58%	
Nashville Airport Authority	\$1,738,785	\$167,002	\$549,187	\$0	\$0	\$2,454,974	\$101,809	\$38,764	\$0	\$0	\$0	\$4,580,950	\$4,721,523	\$0	\$7,176,497	\$857,619	\$34,987,564	\$43,021,680	16.68%	
Totals	\$11,349,991	\$885,443	\$1,220,453	\$3,505,213	\$243,000	\$17,204,100	\$412,702	\$42,654	\$1,450	\$6,126	\$1,581,811	\$14,032,356	\$16,077,099	#####	\$34,295,209	\$47,486,703	\$345,918,677	\$427,700,589	8.02%	
						4.0%							3.8%	0.2%						
						50.2%							46.9%	3.0%	100.0%					

Percent of All Businesses



Percent of Disadvantaged Businesses



** Numbers not included in Totals

* OS&E (Other Socially and Economically Disadvantaged Business) includes disabled and veteran owned businesses.



Metropolitan Government of Nashville & Davidson County Business Utilization Quarterly Report Highlights Fiscal Year 2017 (July 2016 – June 2017)

Important points to note about the Metropolitan Government of Nashville & Davidson County's (Metro) business utilization for Fiscal Year 2017:

1. The Metro Government spent: \$ 45,910,740 with MWBE prime contractors
\$ 16,289,152 with MWBE subcontractors
\$ 62,199,892 **TOTAL WITH MWBES**

Which represents **7.91%** of the total of all procurement transaction values.

2. The Metro Government spent: \$ 101,585,783 with SBE prime contractors
\$ 422,920,202 with SBE subcontractors
\$ 524,505,985 **TOTAL WITH SBES**

Which represents **66.66%** of the total of all procurement transaction values.

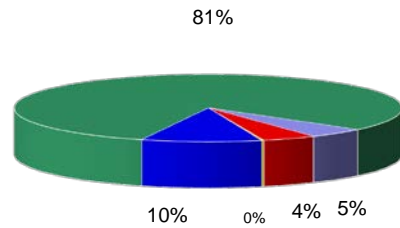
3. The Metro Government achieved *DBE utilization of **74.57%** at the prime and subcontract level.

*DBE is defined as businesses having small, minority or woman ownership.

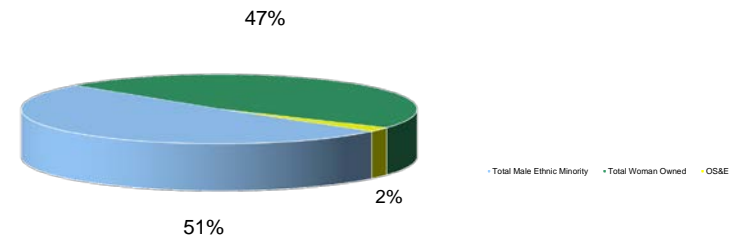
Fiscal Year 2017 Disadvantaged Business Quarterly Report
FY 17 (July 2016 - June 2017)

	Disadvantaged Business													Totals			% of Disadvantaged Business	Total % Including Subcontract Payments			
	Ethnic Minority Male Only					Total Male Ethnic Minority	Woman Owned					Total Woman Owned	OS&E*	Total Disadvantaged Business	Non-Ethnic Male	Large Business	Total of All Business				
	African American	Hispanic	Asian	Native American	Non-Specific Male Minority		African American	Hispanic	Asian	Native American	Non-Specific Female Minority								Non-Ethnic Female		
Metro General Government	\$11,293,045	\$82,941	\$1,007,575	\$3,715,304	\$0	\$16,098,865	\$560,260	\$14,362	\$2,550	\$3,025	\$0	\$29,077,323	\$29,657,520	\$154,355	\$45,910,740	\$101,585,783	\$639,290,685	\$786,787,208	5.84%	7.91%	
**Metro General Government (Subcontractor)	\$4,192,452	\$100,066	\$508,598	\$0	\$0	\$4,801,116	\$435,488	\$106,735	\$325,308	\$0	\$0	\$10,330,316	\$11,197,846	\$290,190	\$16,289,152	\$422,920,202	\$0	\$439,209,354	2.07%		
Metro Board of Education	\$4,902,382	\$271,564	\$270,901	\$17,636,655	\$0	\$23,081,502	\$260,363	\$62,723	\$6,974	\$12,999	\$1,848,375	\$5,421,558	\$7,612,992	\$2,524,938	\$33,219,432	\$24,997,968	\$235,147,041	\$293,364,441	11.32%		
**Metro Board of Education - Construction (1)	\$6,570,038	\$0	\$0	\$0	\$0	\$6,570,038	\$0	\$0	\$0	\$591,442	\$5,708,733	\$6,300,175	\$0	\$0	\$12,870,213	\$3,573,850	\$245,858,157	\$262,302,220	4.91%		
Nashville Electric Service	\$13,891,178	\$1,912,233	\$903,943	\$4,929	\$0	\$16,712,283	\$655,458	\$1,701,485	\$42,108	\$28,906	\$1,344,326	\$1,715,397	\$5,487,680	\$0	\$22,199,963	\$5,841,075	\$80,552,738	\$108,593,776	20.44%		
Metro Development and Housing Agency	\$2,117,885	\$266,845	\$157,423	\$89,852	\$0	\$2,632,005	\$180,305	\$0	\$0	\$0	\$4,764,279	\$0	\$4,944,584	\$0	\$7,576,589	\$1,451,830	\$29,269,907	\$38,298,326	19.78%		
Metro Transit Authority	\$41,377	\$0	\$63,757	\$0	\$312,257	\$417,391	\$519	\$0	\$0	\$0	\$285,904	\$22,944	\$309,367	\$0	\$726,758	\$0	\$12,747,646	\$13,474,404	5.39%		
Nashville Airport Authority	\$4,920,507	\$1,567,991	\$1,274,988	\$0	\$0	\$7,763,486	\$220,716	\$45,144	\$0	\$0	\$0	\$13,508,698	\$13,774,558	\$0	\$21,538,044	\$3,823,346	\$116,904,223	\$142,265,613	15.14%		
Totals	\$37,166,374	\$4,101,574	\$3,678,587	\$21,446,740	\$312,257	\$66,705,532	\$1,877,621	\$1,823,714	\$51,632	\$44,930	\$8,242,884	\$49,745,920	\$61,786,701	\$2,679,293	\$131,171,526	\$137,700,002	\$1,113,912,240	\$1,382,783,768	9.49%		
						4.8%							4.5%	0.2%	100.0%	10.0%	80.6%	100.0%			
						50.9%							47.1%	2.0%							

Percent of All Businesses



Percent of Disadvantaged Businesses



** Numbers not included in Totals

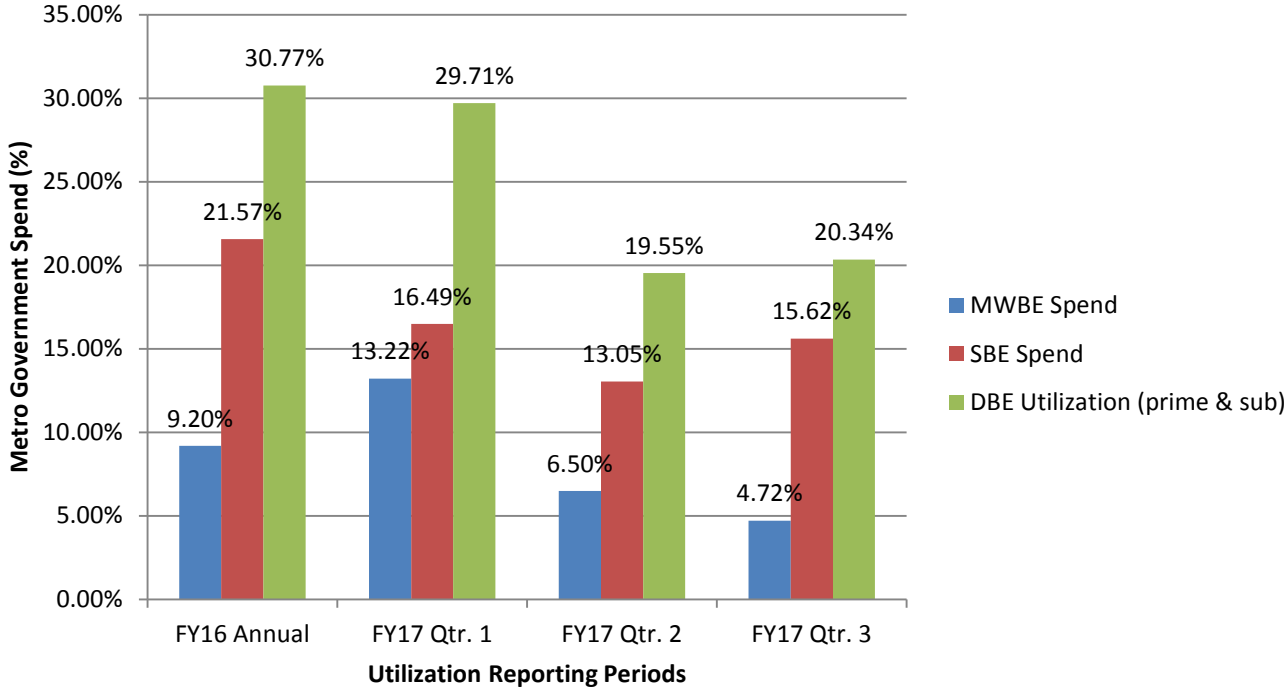
* OS&E (Other Socially and Economically Disadvantaged Business) includes disabled and veteran owned businesses.

1 - 1st, 2nd & 3rd quarter numbers reported

3 - 1st & 3rd quarter numbers reported

4 - 1st & 2nd quarter numbers reported

SMWBE Utilization Trend Report



iProcurement Training Overview - 4th Quarter FY17

	# of Classes	# of Attendees
Requisitioner	3	13
Approver	3	11
Buyer	2	7
Total	8	31

FY17 Training Overview

	# of Classes	# of Attendees
Requisitioner	14	79
Approver	15	36
Buyer	10	26
Total	39	141