

Budget Brief – DAS Purchasing and General Services

NUMBER CFGO-08-13

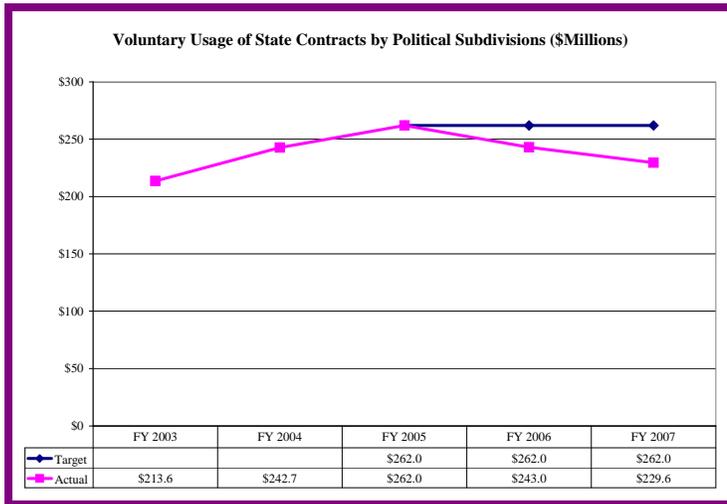
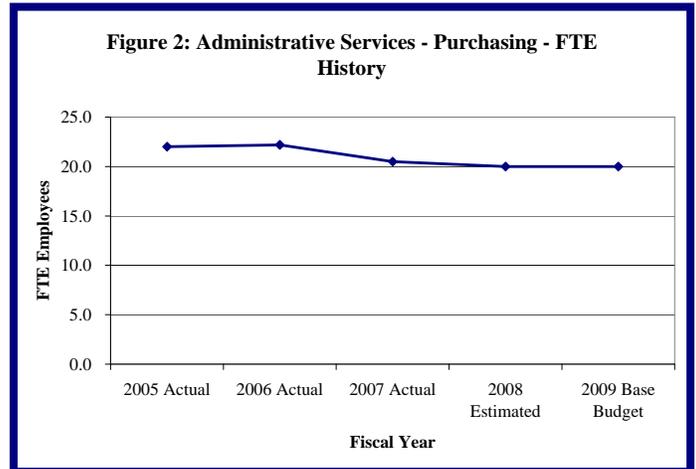
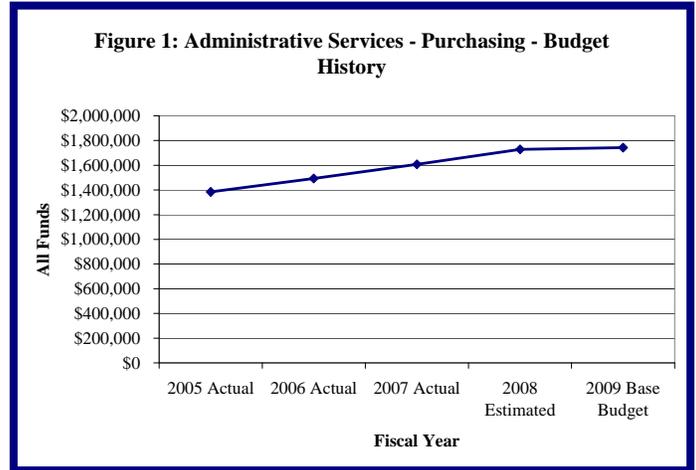
SUMMARY

In 1997 the Legislature reorganized the Department of Administrative Services, merging Central Copying, Central Mail, and Central Stores into the Division of Purchasing and General Services. The procurement function that enables other agencies to contract for goods and services remains an appropriated function. Other programs operate as Internal Service Funds and are budgeted separately in the ISF section of the budget.

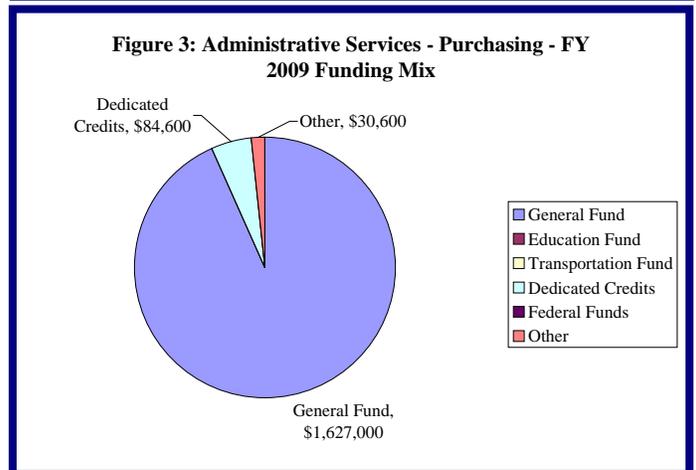
The division provides a centralized purchasing function for all state agencies. The Purchasing Program manages 750 statewide contracts that are used by state agencies, education, and local governments, and oversees more than 2,000 agency contracts and more than 1,500 procurement processes per year. The value of these contracts and procurements exceeds a billion dollars annually.

ACCOUNTABILITY DETAIL

State Purchasing manages cooperative contracts that are utilized by state agencies, institutions of higher education, school districts, and local governments. Usage of the contracts is mandatory for state agencies, but voluntary for political subdivisions. Thus political subdivision usage of the contracts is a barometer of whether the contracts provide best value.



Usage of state contracts by political subdivisions increased by 51 percent between FY 2002 and FY 2005, but declined in FY 2006 and FY 2007. This may be an indication that the value of state purchasing contracts has been maximized.



BUDGET DETAIL

Dedicated Credits in this program are generated by contract management cost reimbursements. The division participates in and manages several multi-state contracts for the Western States Contracting Alliance (WSCA) – a contracting alliance of fifteen western states. Utah has the lead on data communications, small package delivery, and other types of contracts.

Intent Language

The Analyst recommends the Legislature adopt the following supplemental intent language for Fiscal Year 2008:

Under terms of UCA 63-38-8.1(3), the Legislature intends not to lapse Item 43, Chapter 1, or Item 40, Chapter 371, Laws of Utah 2007. Expenditure of these funds is limited to: Electronic Commerce - \$50,000.

LEGISLATIVE ACTION

The Analyst recommends the Legislature consider adopting:

1. A total FY 2009 base appropriation of \$1,742,200 for the Division of Purchasing and General Services.
2. Intent language making the FY 2008 appropriation nonlapsing but limited to uses specified in the language.

BUDGET DETAIL TABLE

Administrative Services - Purchasing						
Sources of Finance	FY 2007 Actual	FY 2008 Appropriated	Changes	FY 2008 Revised	Changes	FY 2009* Base Budget
General Fund	1,536,700	1,627,000	0	1,627,000	0	1,627,000
General Fund, One-time	(900)	0	0	0	0	0
Dedicated Credits Revenue	84,600	57,100	27,500	84,600	0	84,600
Beginning Nonlapsing	34,200	0	47,600	47,600	(17,000)	30,600
Closing Nonlapsing	(47,600)	0	(30,600)	(30,600)	30,600	0
Total	\$1,607,000	\$1,684,100	\$44,500	\$1,728,600	\$13,600	\$1,742,200
Programs						
Purchasing and General Services	1,607,000	1,684,100	44,500	1,728,600	13,600	1,742,200
Total	\$1,607,000	\$1,684,100	\$44,500	\$1,728,600	\$13,600	\$1,742,200
Categories of Expenditure						
Personal Services	1,467,500	1,547,800	41,500	1,589,300	0	1,589,300
In-State Travel	1,200	1,700	(500)	1,200	0	1,200
Out of State Travel	5,300	4,500	800	5,300	0	5,300
Current Expense	56,900	60,000	(3,300)	56,700	100	56,800
DP Current Expense	76,100	70,100	6,000	76,100	13,500	89,600
Total	\$1,607,000	\$1,684,100	\$44,500	\$1,728,600	\$13,600	\$1,742,200
Other Data						
Budgeted FTE	21.5	20.0	2.0	22.0	0.0	22.0
Actual FTE	20.5	0.0	0.0	0.0	0.0	0.0

*Does not include amounts in excess of subcommittee's state fund allocation that may be recommended by the Fiscal Analyst.