

PURCHASING/WAREHOUSE
BUDGET REVIEW TEAM
RECOMMENDATIONS FOR FY 2007-2008

BUDGET REVIEW TEAM RECOMMENDATION SUMMARY
FY 2007 – 2008
Purchasing/Warehouse Narrative

A quick analysis of the Purchasing and Warehouse budget shows that there is no possible way to cut the mandated 5% without cutting positions. Removing every expense except personnel did not achieve 5%. We cut a few thousand dollars from expenses and removed two positions, one from Purchasing and one from the Warehouse. This accomplishes the goal of the 5% reduction.

In addition to the required reductions, our committee offers the following:

- 1) Recommend that no cuts to the Purchasing/Warehouse Budget be made because of the negative impact these cuts would have on services first to the schools and second to services District-wide.
- 2) The 5% reduction does nothing to increase department efficiencies or the improved use of technology. Some interesting statistics that emerged include; the average cost per Purchase Order is almost \$70 in personnel costs just in this department and the number of POs is almost one per school per day or about 15,000 per year total. As a future recommendation, we strongly urge the ASD to analyze the workflow and processes in place to reduce the amount of paperwork and the number of times each purchase order is handled to accomplish the department's tasks. We would further recommend that a District-wide audit of departments/services/functions/ to improve departmental interactions and eliminate duplication of services be completed. We believe the audit would identify potential efficiencies. The audit conducted by an outside source would put to bed the notion of an out of control school budget.
- 3) This has been an interesting but frustrating experience as we are not allowed to delve into areas outside the charge. We can't find 'waste' by looking at a spreadsheet. We can't find inefficiencies because we don't know what an efficient warehouse and purchasing department look like, yours could be the most efficient in the state for all we know. So, we are left cutting nickels and dimes and ultimately hoping that someone else who knows more will decide to keep on the right number of employees to get the job done.

Again, we'd like to recommend that no cuts to the Purchasing/Warehouse Budget be made because of the negative impact these cuts would have on services first to the schools and second to services District-wide. However, to complete our task of a 5% reduction, we recommended the reductions identified in the Attachment H documents.

Attention should be paid to the impact these cuts will have on much needed services for the Anchorage School District as an organization. A serious consequence will be on the timeliness to deliver essential services and the untenable delay that will result in providing educational programs with the resources that are needed.

There is no place for cuts in this department's budget.

**ANCHORAGE SCHOOL DISTRICT
ANCHORAGE, ALASKA
BUDGET REVIEW TEAM RECOMMENDATION SUMMARY
FY 2007 - 2008**

Budget Review Team: Purchasing/Warehouse

Co-Facilitators: Pamela K Chenier, Purchasing/Warehouse Director
Christine Wright, Senior Purchasing Agent

Staff Support: N/A

Team Members: Scott Andrews, Alexander F. Eissler, Rosemary Fish, Lewis Hayes,
Ruth Jean Shaw, Bruce Shellenbaum, Michelle Smith and Gail White

Total Recommendations \$(156,411)

Areas of Review: Purchasing and Warehouse

RECOMMENDATIONS (In priority order):

Expenditures (Brackets used for expenditure reductions)

<u>Priority Number</u>	<u>Program Description</u>	<u>Amount</u>
1	Reduction of In-District Mileage Account	\$1,200
2	Reduction of Maintenance Extra Help	\$46,936
3	Eliminate one Senior Administrative Clerk	\$47,475
4	Eliminate one Courier position	\$62,500
	Total:	\$156,411

ANCHORAGE SCHOOL DISTRICT
ANCHORAGE, ALASKA
BUDGET REVIEW TEAM RECOMMENDATION
FY 2007 - 2008

Budget Review Team: Purchasing/Warehouse Priority No: 1

Department Name: Purchasing Account Code: 101201-3430

Program Description: Purchasing Mileage In-District

Team Recommendation: Reduce Mileage In-District account in the amount of \$1,500

- Brief Description: This account is utilized for the reimbursement of mileage for Purchasing employees that use their personal vehicle to travel from location to location on District business.
- Criteria for Recommendation: Most meetings occur within the Purchasing Department rather than traveling to different locations. For those meetings that require employee travel, a balance of \$500 was left in this account.
- Expected Outcomes/Advantages: A savings of \$1,500.
- Impact on Services: This reduction should have no major negative impact on conducting the business of the District.

Use costing information provided by Budget Department on the Request for Costing form. (Brackets used for expenditure reductions or revenue enhancement.)

Cost Computation and Staffing Description	Total Staffing FTE: 0
• Personnel Costs	\$ Teachers
• Purchased Services	\$ Aides
• Supplies	\$ Others - Describe
• Equipment	\$
• Other costs	\$ (1,500)
Total:	\$ (1,500)
Revenues:	\$

ANCHORAGE SCHOOL DISTRICT
ANCHORAGE, ALASKA
BUDGET REVIEW TEAM RECOMMENDATION
FY 2007 - 2008

Budget Review Team: Purchasing/Warehouse Priority No: 2

Department Name: Warehouse Account Code: 106501-1841

Program Description: Warehouse Maintenance Extra Help

Team Recommendation: Reduce Maintenance Extra Help account in the amount of \$43,936

- Brief Description: This account is utilized to supplement the Warehouse workforce in the summer months as well as throughout the school year when the warehouse workload is extremely heavy and the Warehouse cannot provide service to all customers without increased temporary manpower. The majority of this additional help comes from Student Nutrition Warehouse employees.
- Criteria for Recommendation: The reduction of this account will preserve as many full time employees as possible. The warehouse workforce will not be able to fulfill all expectations and needs of the unit.
- Expected Outcomes/Advantages: A savings of \$46,936.
- Impact on Services: This reduction will have a substantial impact on the delivery and transfer of goods throughout the District. This will also result in a slower delivery of materials to classrooms and all units throughout the District.

Use costing information provided by Budget Department on the Request for Costing form. (Brackets used for expenditure reductions or revenue enhancement.)

Cost Computation and Staffing Description	Total Staffing FTE: 0
• Personnel Costs	\$ (46,936) Extra Help/Temporaries
• Purchased Services	\$ Aides
• Supplies	\$ Others - Describe
• Equipment	\$
• Other costs	\$
Total:	\$ (46,936)
Revenues:	\$

ANCHORAGE SCHOOL DISTRICT
ANCHORAGE, ALASKA
BUDGET REVIEW TEAM RECOMMENDATION
FY 2007 - 2008

Budget Review Team: Purchasing/Warehouse Priority No: 3

Department Name: Purchasing Account Code: 101201-1201

Program Description: Purchasing Clerical

Team Recommendation: Eliminate one Purchasing Sr. Administrative Clerk Position

- Brief Description: The Senior Administrative Clerks in the Purchasing office provide follow up activity for orders that are overdue, have discrepancies and work with the unit on any returns that may be required to meet District needs.
- Criteria for Recommendation: The reduction of this position is recommended to meet the team's 5% reduction requirement.
- Expected Outcomes/Advantages: A reduction of this position will result in additional workload on existing staff.
- Impact on Services: This reduction will have a substantial impact on the follow up activity of goods and materials ordered by various District units. This position is the primary contact with vendors in respect to orders placed and shipments received. Currently there are four positions that handle this aspect of the procurement process that encompasses over \$200,000,000 in orders for 5,400 vendors per year. This will further reduce the efficiency of the department because the workload will be spread to the remaining Senior Administrative Clerks. Loss of this position will also likely result in less timely payments to vendors.

Use costing information provided by Budget Department on the Request for Costing form. (Brackets used for expenditure reductions or revenue enhancement.)

Cost Computation and Staffing Description Total Staffing FTE: 1

• Personnel Costs	\$ (47,475)	Clerical
• Purchased Services	\$	Aides
• Supplies	\$	Others - Describe
• Equipment	\$	
• Other costs	\$	

Total: \$ (47,475)

Revenues: \$

ANCHORAGE SCHOOL DISTRICT
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BUDGET REVIEW TEAM RECOMMENDATION
FY 2007 - 2008

Budget Review Team: Purchasing/Warehouse Priority No: 4

Department Name: Warehouse Account Code: 106501-1801

Program Description: Warehouse Maintenance

Team Recommendation: Eliminate one Courier position

- Brief Description: The Warehouse Couriers currently deliver mail to all non-food locations within the District. This includes all charter schools, all District programs not housed in schools, administrative offices, and Municipal locations on a scheduled delivery basis.
- Criteria for Recommendation: The reduction of this position is recommended to meet the team's 5% reduction requirement.
- Expected Outcomes/Advantages: A reduction of this position will result in additional workload on existing staff.
- Impact on Services: The Courier positions are heavily utilized to make small expedited deliveries in order to meet the educational and administrative needs of the District. Elimination of this position will result in the delay of deliveries of goods and materials for the District. It is expected that the consolidation of the District's administrative facilities will allow the District to reduce the Courier positions to one; however, it would be in the District's best interests to add an M-6 position rather than deleting an M-3 Courier.

Use costing information provided by Budget Department on the Request for Costing form. (Brackets used for expenditure reductions or revenue enhancement.)

Cost Computation and Staffing Description	Total Staffing FTE: 1
• Personnel Costs	\$ (62,500) Maintenance
• Purchased Services	\$ Aides
• Supplies	\$ Others - Describe
• Equipment	\$
• Other costs	\$
Total:	\$ (62,500)
Revenues:	\$