



Department of Administration
Business Operations Division

John O. Norquist
Mayor

David R. Riemer
Director of Administration

Cheryl L. Oliva
City Purchasing Director

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Common Council
City of Milwaukee
Room 205, City Hall

Dear Honorable Members:

A report on the cost savings achieved in 2001 by the Department of Administration Business Operations Division Procurement Services Section was presented at the Central Board of Purchases meeting held on March 12, 2002. The Central Board of Purchases directed me to submit a communication to the Common Council informing them of the savings that had been reported.

Despite the fact that the Procurement Services Section has undergone a significant reduction of staff during the past several years of approximately 63%, the Section has made considerable progress in procurement methodology by simplification of processes, application of technology, innovative thinking and extensive cross-training. The value of a centralized purchasing unit staffed by purchasing professionals is clearly illustrated by the savings generated in 2001 that totaled more than \$1,191,160. The Section's total expenditures for the entire year were only approximately \$737,098, including salaries. The savings were achieved by various methods including the continued application of technology to its processes, competitive bidding strategies, modification of narrow specifications, contract monitoring and continued emphasis on the initiation of vendor contracts to reduce repetitive bidding.

In light of the current fiscal uncertainties and budget constraints facing the City, it is important that all City of Milwaukee departments continue to identify ways of providing services more efficiently and effectively using creative and innovative ideas to streamline processes and apply technology wherever possible. This will assist the City and other local governments to meet some of the fiscal challenges we are experiencing now which will undoubtedly continue in the future.

Sincerely,

Cheryl L. Oliva
City Purchasing Director

CLO

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