

The  
Metropolitan Water Reclamation District  
of  
Greater Chicago

2023

ANNUAL REPORT

OF THE

PROCUREMENT AND

MATERIALS MANAGEMENT DEPARTMENT

Darlene A. LoCascio, Director of Procurement and Materials Management

## **PROCUREMENT AND MATERIALS MANAGEMENT DEPARTMENT**

In accordance with Illinois Compiled Statutes, Chapter 70, Section 2605/11.17 entitled the "Purchasing Act for the Metropolitan Water Reclamation District of Greater Chicago," the Director of Procurement and Materials Management respectfully submits to the Board of Commissioners this annual report describing the activities of her office for the year 2023.

### **RESPONSIBILITIES**

The Procurement and Materials Management Department ("P&MM") is charged with the responsibility for procurement of all materials and services that are used by the Metropolitan Water Reclamation District of Greater Chicago (District). The "Purchasing Act" for the District delineates both the authority and operating regulations. This Act outlines the duties and responsibilities of the Director of Procurement and Materials Management in the various areas of purchasing supplies and services, requesting and receiving bids, determining control and operation of the storerooms, disposing of obsolete, surplus and unusable material, and verifying quality and testing of materials.

Formal contracts and purchase orders for commodities (supplies, material, or equipment) over \$25,000 and for services over \$10,000 are opened in public, in the form of sealed bids on a weekly basis after formal advertisement. Request for Proposals over \$10,000 are advertised but not opened in public. Informal bids are opened on a daily basis for commodities \$25,000 and under and for services \$10,000 and under.

The P&MM 2023 staff totals sixty (60) positions with which to fulfill the duties and responsibilities of the "Purchasing Act." The department is composed of four (4) Divisions: Executive, four (4) positions; Inventory Control, seven (7) positions; Acquisition, twenty-one (21) positions; and Stores and Inventory, twenty-eight (28) positions.

Each Division Head, in addition to supervising the functions of their respective division, is a member of the Procurement Director's staff. The four (4) Divisions work together closely, as each is dependent on information supplied by the others.

### **EXECUTIVE SECTION**

The Executive Section is composed of the Director of P&MM, the Assistant Director of P&MM, and two (2) Administrative support personnel. The Director supervises the administration of all functions of the Procurement Department: buying, inventory control, and stores. The Director serves as the chair of the Board of Standardization that meets on a quarterly basis. The Executive Section has the responsibility for the coordination, preparation, and management of the departmental budget totaling \$11,817,300 for 2023, administration of issues relating to personnel, supervision of the computer operation, and collection of revenues from the sale of obsolete, used, and surplus materials.

### **ACQUISITION DIVISION**

The Acquisition Division, managed by the Assistant Director of P&MM, is responsible for the processing of all requests for goods and services required by the various departments of the District in an economical and expeditious manner. Both formal and informal proposals are solicited for these requirements whenever practical. The division is separated into three (3) sections: Administrative, Buying and Clerical.

The Administrative Section is comprised of one (1) Budget and Management Analyst, one (1) Senior Administrative Specialist and three (3) Administrative Specialists. This section has the overall responsibility for this division as well as assignment, control and revision to the vendor bidding lists (or product classification groups); and identification of affirmative action applications for minority business enterprises (MBEs), women-owned business enterprises (WBEs), and veteran-owned business enterprises (VBEs). The confirmation of MBE, WBE and VBE firms is done by the Diversity Section in General Administration.

The Buying Section is supervised by a Procurement Manager and consists of a staff of seven (7) Senior Buyers and five (5) Buyers. The Senior Buyers concentrate on contracts, RFPs and purchase orders with a dollar value greater than \$25,000 for commodities and \$10,000 for services. The Buyers concentrate on purchase orders for commodities that are \$25,000 or less and for services which are \$10,000 or less. Buyers are responsible for inventory contracts that replenish stock items in the District's storerooms. The Clerical Section, consisting of two (2) Administrative Specialists and one (1) Administrative Clerk, is responsible for data entry, filing, record keeping, quotation receipts, and the contract document and purchase order file room.

### **STORES AND INVENTORY DIVISION**

The Stores and Inventory Division is managed by the Stores and Inventory Manager. This division is responsible for maintaining and controlling optimum inventory levels to support the administrative, operating and maintenance requirements of the District in the most effective and economic manner. The division is separated into two (2) sections: Administrative and Stores.

The Administrative Section consists of the Stores and Inventory Manager and has the overall responsibility for this division and is responsible for developing budgets for materials and preparing a variety of monthly inventory reports. The Administrative Section is also responsible for system contract administration.

The Stores Section, consisting of twenty-seven (27) positions, is managed by the Stores and Inventory Manager and is composed of five (5) units as follows: The Administrative Unit, consisting of one (1) Supervising Stores Specialist, and four (4) plant storerooms. This section is responsible for the accuracy and accountability of the physical material under its control. The staff orders, receives, moves, stores, issues, handles stock transfer material requirements, and provides feedback to central planning. This section also plans, monitors, and analyzes inventory activities to assure a continuing optimum and economic inventory investment and user support level.

The largest storeroom is located at the Stickney Water Reclamation Plant (WRP) and is staffed by fifteen (15) employees. The remaining storerooms are located and staffed as follows: Calumet Water Reclamation Plant, four (4) employees; Terrence J. O'Brien Water Reclamation Plant, three (3) employees; John E. Egan Water Reclamation Plant, four (4) employees.

### **INVENTORY CONTROL DIVISION**

The Inventory Control Division is managed by a Supervising Stores Specialist. This division is responsible for identifying, cataloging, and maintaining commodity standards, ensuring inventory data integrity, effectively balancing supply and demand requirements, and offering improvements in systems applications and physical workflow.

The Inventory Control Division has a staff of seven (7) employees and is managed by the Supervising Stores Specialist. This position is supported by two (2) Senior Stores Specialists and four (4) Stores Specialists. They are supported by an on-line computerized inventory database system providing instant access to all pertinent inventory data.

Inventory Control personnel are responsible for physical count verification using a daily cycle counting technique to reconcile differences between inventory records and physical counts at all storerooms. Personnel also update consumption values, stock locations, material master numbers and material descriptions; administer iBid sales of surplus materials; and investigate inventory inaccuracies with all staff and departments at the District.

An Inventory Review Board is chaired by the Supervising Stores Specialist. The purpose of the Board is:

- To maintain inventory for M&O ordered spare parts that balances an acceptable level of inventory investment while providing a high level of service to operating departments;
- To transfer items purchased by M&O and consumed on a regular basis to P&MM at the recommendation of the Inventory Review Board;
- To manage spare parts inventory by providing a link with the MRP controller within the SAP inventory module and Mainsaver;
- To review reorder points and maximum stock levels to maintain spare parts inventory in a cost-effective manner consistent with best business practices and the District's mission statement and operational goals;
- To identify and dispose of obsolete and surplus spare parts in a timely manner;
- To identify and consolidate duplicate spare parts inventory.

## **ACTIVITIES AND SIGNIFICANT ACCOMPLISHMENTS**

Activities and significant accomplishments during 2023 include:

### Strategic Goal 1: Resource Management

Manage MWRD assets to maintain optimal performance and long-term sustainability.

- Initiated a program to link all engineering spare parts to assets, allowing using departments to readily identify available parts and obsolete parts and equipment.

### Strategic Goal 3: Workforce Excellence

Continue to offer all staff a baseline training allocation.

- Buyers and Senior Buyers completed the first year of a custom-designed two-year training curricula with the National Institute of Governmental Purchasing, with the goal of obtaining national certification upon completion.

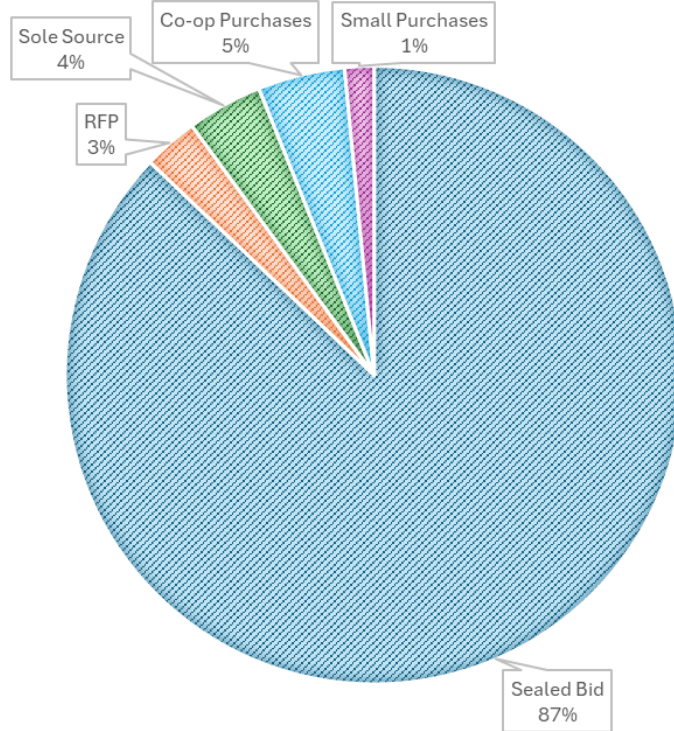
### Strategic Goal 4: Community Engagement

Continue to enhance the experience of vendors who do business with the District.

- Added a search function to the District's website to provide timely and easily accessible information to the public regarding contract and purchase order value, and payment information, increasing transparency in the bidding process;
- Developed a work plan to address issues raised during customer surveys to improve the experience of vendors who do business with the District and provide a more effective and efficient process;
- Added 383 new vendors to our vendor database, with 122 of those new vendors being issued a Purchase Order in 2023.

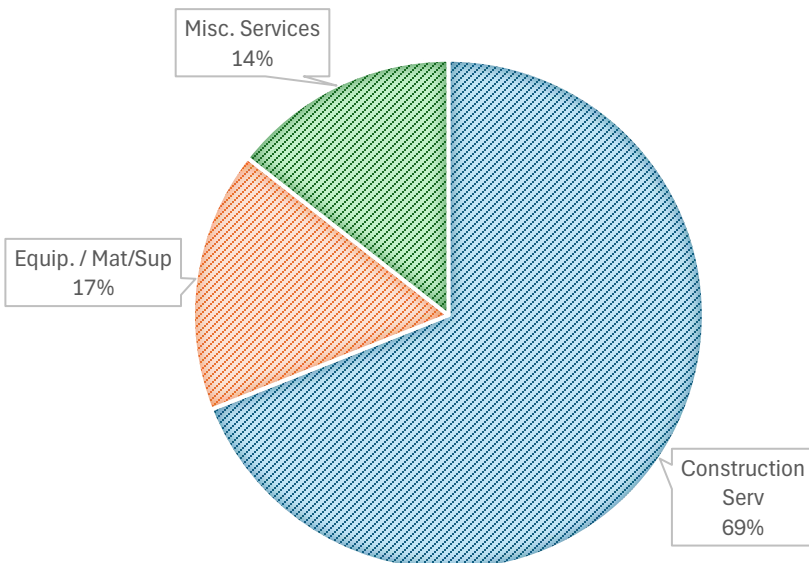
**PROCUREMENT ACTIVITY:**

**2023 AWARDS BY PROCESS  
DOLLAR VALUE**



Process	# Contracts / POs	\$ Value
Sealed Bid	93	\$339,173,409
RFP	17	\$11,129,224
Eng Consultant	0	\$0
Sole Source	82	\$15,436,325
Co-op Purchases	57	\$17,724,194
Legal Services	3	\$585,000
Leases	4	\$1,343,600
Small Purchases	2,721	\$5,968,123
Total	2,977	\$391,359,875

**2023 AWARDS BY TYPE  
DOLLAR VALUE**



Type	# Contracts / POs	\$ Value
Construction Serv	14	\$268,615,864
Leases	4	\$1,343,600
Legal Serv	3	\$585,000
Equip. / Mat/Sup	2,560	\$64,638,215
Misc. Services	396	\$56,177,197
Total	2,977	\$391,359,875

ACTIVITY COMPARISON	2023	2022	2021
<b>Requisitions:</b>			
Total Requisitions Received	7,662	7,751	7,433
Requisitions from Contracts	4,462	4,524	4,506
Requisitions from RFQ	3,200	3,227	2,927
Items on Requisitions	10,615	10,383	10,159
Total Inquiries Sent to Vendor	22,325	23,684	20,446
Inquiries sent for RFQ	18,963	20,571	16,822
Inquiries sent for Contracts	3,362	3,113	3,624
Quotes Received	6,925	6,445	5,302
Purchase Orders Issued from RFQ	2,937	2,681	2,568

**Emergency Orders Issued:**

Under \$50,000.00	1	0	1
Equal to or over \$50,000.00	1	2	2
Total	2	2	3

**Contracts Advertised:**

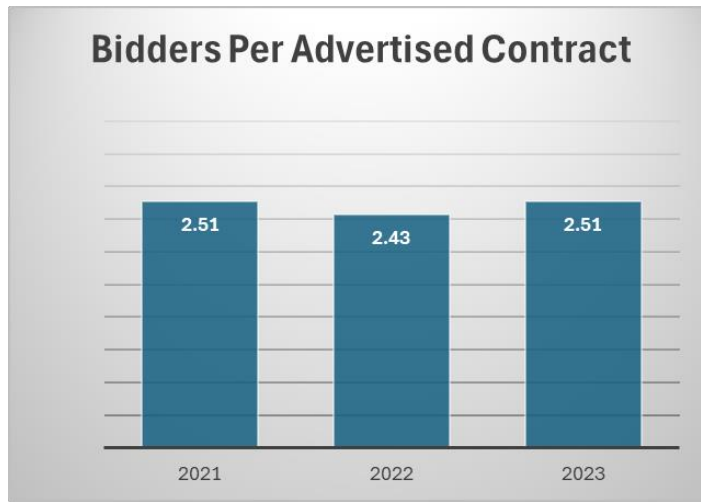
Contracts Advertised	131	140	145
Invitations to Bid Sent	102,489	77,597	85,190
Bid Documents Distributed	3,362	3,113	3,624
Bids Received and Processed	330	340	364
Contracts Awarded	256	232	245
Dollar Amount of Contracts Awarded	\$385,391,753	\$304,070,049	\$168,826,292

**Sales:**

Scrap, Surplus Material and Equipment	\$145,819	\$176,802	\$69,701
Automobiles	\$1,001	\$80,182	\$106,143
Total	\$146,820	\$256,984	\$175,844

**Stores Operation and Issue:**

Shipments Received	20,845	21,538	21,400
Inventory Issue Slips Processed	17,248	18,383	21,009
Contract Requisitions Prepared	4,961	4,633	4,572
Non-Contract Requisitions Prepared	1,201	1,347	1,157
Transport Requisitions Prepared	4,241	4,247	3,876



Year	Contracts Advertised	# Bidders	Bidders Per Advertised Contract
2021	145	364	2.51
2022	140	340	2.43
2023	131	330	2.51



Year	New Vendors Added	New Vendors Issued PO*	\$ Value POs to New Vendors*
2021	266	86	\$4,151,035
2022	259	100	\$3,609,676
2023	383	122	\$15,304,775
* Through 12/31/2023			