

Procurement Division - Cost Savings (Reductions, Avoidance, Containment)

Veolia Recommendations

- Achieve Support Functions Savings estimated below

FY	Total Savings
2015	\$ 3,339,766
2016	\$ 13,039,870
2017	\$ 14,206,417
2018	\$ 14,243,761
2019	\$ 14,875,331

- Achieve working capital gains through modified payment terms and early pay discounts
- Installation of fleet-wide GPS tracking system accounts for 100% of maintenance management savings (fuel and staff productivity)

DWSD Status Update

Category	Realized Savings
Competitive Process	\$ 2,030,000
Consolidated/Leveraged Purchases	\$ 110,000
Negotiated Savings	\$ 540,000
Outsourcing	\$ 1,080,000
Inventory Optimization	\$ 1,480,000
FY2015 Total Savings (Yr 1)	\$ 5,240,000

- Continue to examine other segments including material substitutions, specification/scope modifications, transactional costs, insourcing and cost sharing agreements to identify direct cost savings, cost containment and revenue generating opportunities

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Category	Description	Savings Forecast
Competitive Process	Hydrofluorosilicic Acid (PO# 2911106)	\$ 574,230
Consolidated/ Leveraged Purchases	Parts for Repair of Fire Hydrants (PO# 2911130)	\$ 76,850
Outsourcing	Grounds Maintenance Services (PO# 2911106)	\$ 857,233
Outsourcing	Refuse Recycling & Waste Hauling Services (RFQ# 45881)	\$ 362,899
Outsourcing	Commercial Bill Printing & Mail Services for DWSD Customer Service Billing System (RFQ# 50141)	\$ 183,993
Outsourcing	Just-In-Time (JIT) Electrical Supplies (PO# 2911145)	\$ 10,050
Outsourcing	HVAC Building Mechanical Equipment Maintenance and On-Demand Repair Services (RFQ# 49412)	\$ TBD
	2016 FYTD INCREMENTAL TOTAL	\$ 2,065,255
	2014 Veolia Peer Review TARGET	\$ 13,039,870

Procurement Division - Cumulative Annual Savings FY 2015-16 Performance to Target (PTT)

