



## **AGENDA MEMORANDUM**

First Reading for the City Council Meeting of February 15, 2022  
Second Reading for the City Council Meeting of February 22, 2022

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**DATE:** February 15, 2022

**TO:** Peter Zanoni, City Manager

**FROM:** Heather Hurlbert, CPA, CGFO Director of Finance and Procurement  
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| <p style="text-align: center;"><b><u>FY 2022 Operational Budgeted Headcount Adjustment</u></b><br/><b>Procurement Department</b></p> |
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### **CAPTION:**

Ordinance approving the addition of one full-time position to the budget of the Procurement Division of the Finance & Procurement Department for a Contract Manager, as recommended by the City Audit Committee; and amending the FY 2022 Operating Budget to increase the number of positions by one, with funding coming from the existing FY 2022 Procurement operational budget.

### **SUMMARY:**

This Ordinance increases the Procurement Fund positions from thirty-two (32) to thirty-three (33) to add one Contract Manager for centralized contract administration.

### **BACKGROUND AND FINDINGS:**

The final step in the procurement process is contract management. The objective of contract management is to ensure the contract is performed satisfactorily and responsibly. Currently, there is no centralized oversight for department contract administration. As recommended as part of the Procurement Weaver study, establishing a centralized Contract Manager to oversee the contract administration function will ensure that all contracts are tracked, documented, and reported on in a unified methodology. Increased contract monitoring will ensure targets and milestones are met and will allow for maximizing contract utilization and value. Contract management becomes most effective when all areas of an organization are brought in, and ownership is assigned. This position will be responsible for developing the guidelines and training requirements for all department contract coordinators. The City has over 2,162 active contracts (Including MOUs, Inter-Local Agreements, and Leases). The Contract Manager will audit contract compliance and develop reporting requirements.

Another advantage to having centralized oversight will be the ability to identify and coordinate larger multi-department even citywide contracts. This will allow the City to better leverage buying power and potentially receive more favorable pricing.

**ALTERNATIVES:**

One alternative would be to wait until the normal budget cycle. Delaying the action until the FY 2023 budget adoption would likely delay hiring until calendar year 2024. Another alternative is to not approve this position, and the City could continue to operate as it does today.

**FISCAL IMPACT:**

The first year estimated cost to hire the full-time Contract Manager is \$105,000 for salary, benefits, and supplies. The estimated cost for FY 2022 is \$70,000 and the position will be funded through the existing Procurement Fund Operating Budget.

**Funding Detail (Remaining Year):**

|              |     |
|--------------|-----|
| Fund/Org:    | N/A |
| Project No.: | N/A |
| Account:     | N/A |
| Activity:    | N/A |
| Amount:      | N/A |

**RECOMMENDATION:**

Staff recommends approval of the Ordinance to add one position to the Procurement Division of the Finance and Procurement Department.

**LIST OF SUPPORTING DOCUMENTS:**

Ordinance