

M E M O R A N D U M

TO: Planning, Housing and Economic Development Committee
Government Operations and Fiscal Policy Committee

FROM: Robert H. Drummer, Senior Legislative Attorney 

SUBJECT: **Discussion:** Local Small Business Reserve Program

Executive Branch Representatives who are expected to attend:

David Dise, Director of the Department of General Services

Grace Denno, Acting Manager, Office of Relations and Compliance, Department of General Services

Background

The Local Small Business Reserve Program (LSBRP) was established by Bill 23-04, effective January 1, 2006. Bill 23-04 required that:

A using department's procurement procedures must award a minimum of 10 percent of the using department's combined dollar value of contracts issued for goods, services, or construction to local small businesses, subject to method 2 regulations.

A local small business was defined in Executive regulations. Code §11B-66(c) excludes the following types of contracts from the Program:

- (c) The total dollar value of procurements by a using department does not include:
 - (1) the value of any contract to which this Article does not apply because of a conflict with state or federal law or a grant requirement;
 - (2) a preexisting contract executed by the County;
 - (3) a non-competitive contract award made under Section 11B-14;
 - (4) a public entity or emergency procurement;
 - (5) any waiver made under Section 11B-67(f);
 - (6) any procurement where no local small business is qualified or able to perform the contract; or
 - (7) any single procurement that is estimated to exceed \$10 million.

Bill 23-04 also included a December 31, 2009 sunset date for the LSBRP.

In April 2009, the Council enacted Expedited Bill 3-09 modifying the program and extending the sunset date until December 31, 2012. Bill 3-09 increased the required utilization of local small businesses from 10% of eligible contracts to 20% and required the DGS Director to approve a using department's decision that no local small business is qualified or able to perform a contract. In 2009, Executive Regulation 2-09 increased the minimum size to qualify as a local small business.

The Office of Legislative Oversight issued Report Number 2010-4 on December 8, 2009 evaluating the LSBRP. A copy of the overview is at ©1-5. A complete copy of the OLO Report can be viewed at <http://www.montgomerycountymd.gov/content/council/olo/reports/pdf/2010-4.pdf>.

FY 2011 Annual Report

Code §11B-69(b) requires the DGS Director to report to the Council on the LSBRP by November 30 of each year. The FY 2011 Annual Report is at ©6-27. DGS reported that the County has increased the percentage of small business participation in eligible contracts *awarded* in each of the last 3 years.

In \$ Values	FY09	FY10	FY11
	Contract Value	Contract Value	Contract Value
Award to LSBRP	\$33,292,903	\$67,511,567	\$58,178,516
% of Eligible	14%	23%	36.5%

DGS also reported:

1. Procurement *expenditures* eligible for the LSBRP as a percentage of total procurement expenditures dropped from 8.8% in FY10 to 3.7% in FY11. See Table 4 on p. 13 at ©21. This decrease is the result of a large increase in expenditures for contracts over \$10 million from \$73.8 million in FY10 to \$561.90 million in FY11. See Table 5 on p. 14 at ©22.
2. One of the significant changes to the Program made by Bill 3-09 was to reduce the number of contracts deemed ineligible for the Program due to a using department's decision that no local small business is qualified or able to perform a contract. Bill 3-09 required the DGS Director to approve a using department's decision that no local small business was qualified. *Since that change in law, the dollar value of contracts exempted for this reason has decreased from \$222.4 million in FY09 to \$111.2 million in FY10 and \$23.4 million in FY11.* See Table 5 on p. 14 at ©22.
3. OLO reported in 2009 that the County only awarded 14 contracts to local small businesses through the reserve program in FY09. Most of the awards to small businesses resulted from normal procurement. *The number of contracts awarded through the reserve program more than doubled in FY10 to 29 and more than doubled again in FY11 to 60.* See p. 12 at ©20.

Issues to Consider

The Joint Committee may want to consider:

1. Should the LSBRP be continued beyond December 31, 2012?
2. If so, are there any changes that should be made to the law?

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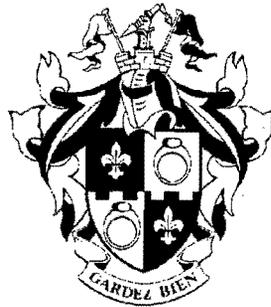
OLO Report No. 2010-4 Overview
LSBRP FY 2011 Annual Report

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Evaluation of the Local Small Business Reserve Program



OFFICE OF LEGISLATIVE OVERSIGHT
REPORT NUMBER 2010-4

December 8, 2009

Jennifer Renkema
Leslie Rubin

**EVALUATION OF THE LOCAL SMALL BUSINESS RESERVE PROGRAM
OFFICE OF LEGISLATIVE OVERSIGHT REPORT 2010-4 / DECEMBER 8, 2009**

OVERVIEW

In April 2005, the County Council adopted Bill 23-04 to establish the Local Small Business Reserve Program (LSBRP). The legislative intent of the new program was to enhance the business climate for County-based small businesses and broaden the pool of local small businesses doing business with the County. The law:

- Authorized a process for reserving County contracts for bidding only by local small businesses.
- Required all County departments to award 10% of *eligible* contract dollars to local small businesses.
- Exempted certain procurements from the 10% requirement, e.g., single procurements greater than \$10 million; pre-existing contracts; contracts for which there are no qualified local small businesses.

The legislation and an accompanying Executive Regulation also set eligibility criteria for local small businesses, which included a maximum number of employees (by type of business) and maximum gross sales.

In March 2009, as part of the County Executive's Economic Assistance Plan, the Council approved changes to the parameters of the LSBRP. The program amendments increased the size limits for local small businesses and doubled (from 10-20%) the percent of *eligible* contract dollars that each department must award to local small businesses. In addition, the Director of the Department of General Services must now approve exemptions from the program based on the reason that there is no qualified local small business available.

The initial law creating the LSBRP established a program sunset date of December 31, 2009. The amendments to the law enacted earlier this year (Bill 3-09) extended the sunset date for the program to December 31, 2012.

PROGRAM RESULTS

In FY07, LSBRP vendors received contracts worth a total of \$11.5 million, or 19.2% of *eligible* contract dollars. In FY08, LSBRP vendors received contracts worth \$11.8 million, or 14.8% of *eligible* contract dollars.

Value of County Contracts	FY07		FY08	
	\$ in millions	Percent	\$ in millions	Percent
Total Amount Eligible for LSBRP	\$59.6	100%	\$80.1	100%
Portion Awarded to LSBRP Vendors	\$11.5	19.2%	\$11.8	14.8%

These data demonstrate that the County Government met the statutory requirement to award at least 10% of *eligible* contract dollars to local small businesses. However, the following facts suggest that compliance with the 10% procurement goal does not translate into an overall finding that the LSBRP met the legislative goals identified when the program was established.

Only a fraction of eligible local small businesses registered to participate. Between January 2006 and June 2009, a total of 1,540 local small businesses registered with the program. This represents only a fraction of the more than 20,000 businesses in the County that meet the program's eligibility criteria for the program.

Almost all of the contract dollars awarded to LSBRP vendors resulted from regular procurements, not the contract reserve process. In FY07, only 1.2% of the \$11.5 million in contracts awarded to LSBRP vendors resulted from use of the contract reserve process; in FY08, the value of contracts awarded through the reserve process increased slightly, but still only to 3.1% of the total \$11.8 million awarded to LSBRP vendors.

More than 90% of the County Government's total contract spending was exempted from the LSBRP. In FY07, \$959.5 million, or 94% of the County Government's approximately \$1 billion in contract purchases, was exempted from the LSBRP. In FY08, the amount exempted was \$904.8 million, or 92% of the total. The three most commonly cited reasons for exempting contracts were: the contract was in place before the LSBRP was established; no local small business was deemed qualified; or that the contract was awarded non-competitively.

**EVALUATION OF THE LOCAL SMALL BUSINESS RESERVE PROGRAM
OFFICE OF LEGISLATIVE OVERSIGHT REPORT 2010-4 / DECEMBER 8, 2009**

PERSONNEL AND OPERATING COSTS

Since 2005, three different offices have been responsible for administering the LSBRP. The program was initially assigned to the Department of Economic Development. In January 2008, the program was transferred to the Office of Procurement. In July 2008, responsibility for LSBRP was transferred again, this time to its current location in the Department of General Services Office of Business Relations and Compliance.

The primary staff activities associated with managing the program are conducting outreach to the business community; assisting contract administrators across County Government to identify contracts for reserved bidding by local small businesses; collecting program data; and compiling the annual report to the Council.

Over the past three years, the cost of personnel and operating costs dedicated to managing the LSBRP has ranged from \$209K to \$362K. These estimated costs do not include the staff time spent by contract administrators across all other County Government departments to implement the program.

Personnel and Operating Costs of Administering the Local Small Business Reserve Program, FY07-FY10			
FY07	FY08	FY09	FY10 (Budgeted)
\$240,000	\$209,000	\$362,000	\$211,000

FEEDBACK FROM THE BUSINESS COMMUNITY AND COUNTY GOVERNMENT STAFF

OLO's online survey of local small businesses and interviews with representatives of the business community evidenced support for the concept of the LSBRP, but disappointment with how the program has worked in practice. In particular, small business owners had expected that LSBRP would result in more opportunities to bid on reserved contracts and that these contracts would be worth higher amounts. Also, business owners thought that attention should be paid to better matching available vendors with the County's purchasing needs.

OLO interviewed contract administrators who implement the LSBRP in 13 County Government departments. Although most departments had met the program target of purchasing 10% from local small businesses, contract staff expressed some concern about meeting the new 20% requirement. The most common reason given for not reserving more contracts through the LSBRP was the limited vendor pool. Contract administrators also voiced frustration with the LSBRP database, describing it as confusing and difficult to work with.

CHALLENGES TO DETERMINING PROGRAM EFFECTIVENESS

The following factors made it difficult for OLO to make a final determination about the effectiveness of the Local Small Business Reserve Program.

- **Absence of data on all County Government procurements.** To date, the County has only collected data on awards to local small businesses on contracts affected by the LSBRP program. Because such a large portion of all County Government contracts (90%) was deemed exempt from the LSBRP, it is not known how much of the \$900 million in exempt County Government contracts each year went to local small businesses through the regular procurement process.
- **Only two years of data combined with recent program changes.** Earlier this year, Bill 3-09 made significant changes to the parameters of the LSBRP program; it is premature to assess the impact of these changes. Recently enacted program changes combined with the availability of only two full years of program data (FY07 & FY08) limit the ability to draw conclusions about program accomplishments.

**EVALUATION OF THE LOCAL SMALL BUSINESS RESERVE PROGRAM
OFFICE OF LEGISLATIVE OVERSIGHT REPORT 2010-4/ DECEMBER 8, 2009**

COMPARATIVE INFORMATION

The State of Maryland established a small business reserve program in 2004 that requires certain State agencies to award 10% of contract dollars to small businesses. Reports on the results of the State's program show that, on average, participating agencies have awarded about 6% of contract dollars to small businesses under this program.

Although Montgomery County's Local Small Business Reserve Program was initially modeled after the State of Maryland program, there are significant differences between the two programs:

- The State program does not limit program eligibility to small businesses located in Maryland; in comparison, the County's program only applies to small businesses located in the County.
- The State's eligibility requirements for businesses are based on *both* number of employees *and* gross sales, while the County bases eligibility on *either* number of employees *or* gross sales.
- The State program requires 10% of contract dollars spent by certain State agencies to be awarded to small businesses; in comparison, (since the law was amended in 2009) Montgomery County's program requires 20% of eligible contract dollars spent by all County departments.
- The State program identifies one category of procurement as exempt from the program. In comparison, the County Government's law identifies seven exemption categories.

OLO also compiled information about small business procurement programs offered by the Federal Government and other governments in the Washington, D.C. area. In addition to set-asides, programs included:

- Price preferences for local small businesses;
- Mandatory local small business subcontracting goals on contracts over a certain amount;
- Reserving a contract solicited through the regular procurement process for local small businesses, if a minimum number of qualified local small businesses bid on the contract; and
- Reducing or waiving requirements for bonding or insurance to contract with otherwise-qualified local small businesses.

GOALS OF THE LOCAL SMALL BUSINESS RESERVE PROGRAM

The table below summarizes the program's goals, as currently found both in the legislative record and in the legislation that established the Local Small Business Reserve Program.

LSBRP Program Goal	Source
Award at least 10 percent (now 20%) of "eligible" contract dollars for goods, services, or construction to local small businesses.	Legislation
Enhance the competitiveness of County-based small businesses by creating a separate market where small business can compete against each other rather than against larger firms for procurement opportunities.	Legislative Record
Broaden the pool of local small vendors doing business with the County.	Legislative Record
Encourage the County's economic growth by enhancing the business climate for local small businesses.	Legislative Record

RECOMMENDATIONS
OFFICE OF LEGISLATIVE OVERSIGHT REPORT 2010-4 / DECEMBER 8, 2009

As reviewed in the report, the absence of comprehensive procurement data and recent changes to the structure of the Local Small Business Reserve Program make it difficult to draw definitive conclusions about program effectiveness. Further, even though the County Government exceeded the 10% target set for awarding *eligible* contract dollars to local small businesses, other program results – the small number of registered businesses, the large portion of contract exemptions, the rarely used reserve process – raise questions about whether the legislative goals of the program were accomplished.

OLO's recommendations for Council action focus on compiling the information needed to make informed judgments about the effectiveness of the LSBRP and decisions about the future structure of the program, e.g., the contract reserve mechanism, mandated targets, criteria for exemptions.

Recommendation #1: Decide the future of the LSBRP based upon a complete picture of all County Government purchases from local small businesses.

In the course of reviewing the Local Small Business Review Program, OLO found that a substantial gap of knowledge exists about County Government purchases from local small businesses. Because 90% of the County's procurement dollars were exempted from the LSBRP, the data tracked to date about the County Government's purchases from local small businesses only reflects information on about 10% of the County's contract purchases. Further the data do not take into account local small businesses that are hired as subcontractors on larger County contracts.

OLO recommends that the Council's future decisions about the LSBRP be based on the full picture of the County Government's procurements from local small businesses. OLO also recommends that the Council request a companion report on the contracts awarded to locally-based non-profit organizations.

Recognizing that it will take some time to collect these data, OLO recommends that the Council ask the Chief Administrative Officer to provide a report on all contract awards to local small businesses and locally-based non-profits during FY10 by **November 30, 2010**. OLO recommends asking the Executive Branch to incorporate these data into the FY10 annual report to the Council on the LSBRP.

Recommendation #2: Explore strategies other than the contract reserve mechanism for accomplishing the goals of the LSBRP.

LSBRP data for FY07 and FY08 indicate that only a fraction of the County's procurement dollars awarded to local small businesses was awarded through the process established for reserving contracts for local small businesses. In other words, almost all (97-98%) of contract dollars awarded to local small businesses in FY07 and FY08 resulted from the regular (non-reserve) procurement process.

If the LSBRP program data for FY09 and FY10 continue to evidence this same pattern of contract awards to local small businesses, then OLO recommends the Council either amend or eliminate the LSBRP contract reserve process and consider alternative strategies for assisting local small businesses.

To enable an informed Council discussion about feasible alternatives to the contract reserve mechanism, OLO recommends that the Council task the Chief Administrative Officer with exploring other strategies. OLO recommends that the Council ask for a report back from the CAO on alternative program structures by **November 30, 2010**, as an addendum to the report on all FY10 procurements from local small businesses.

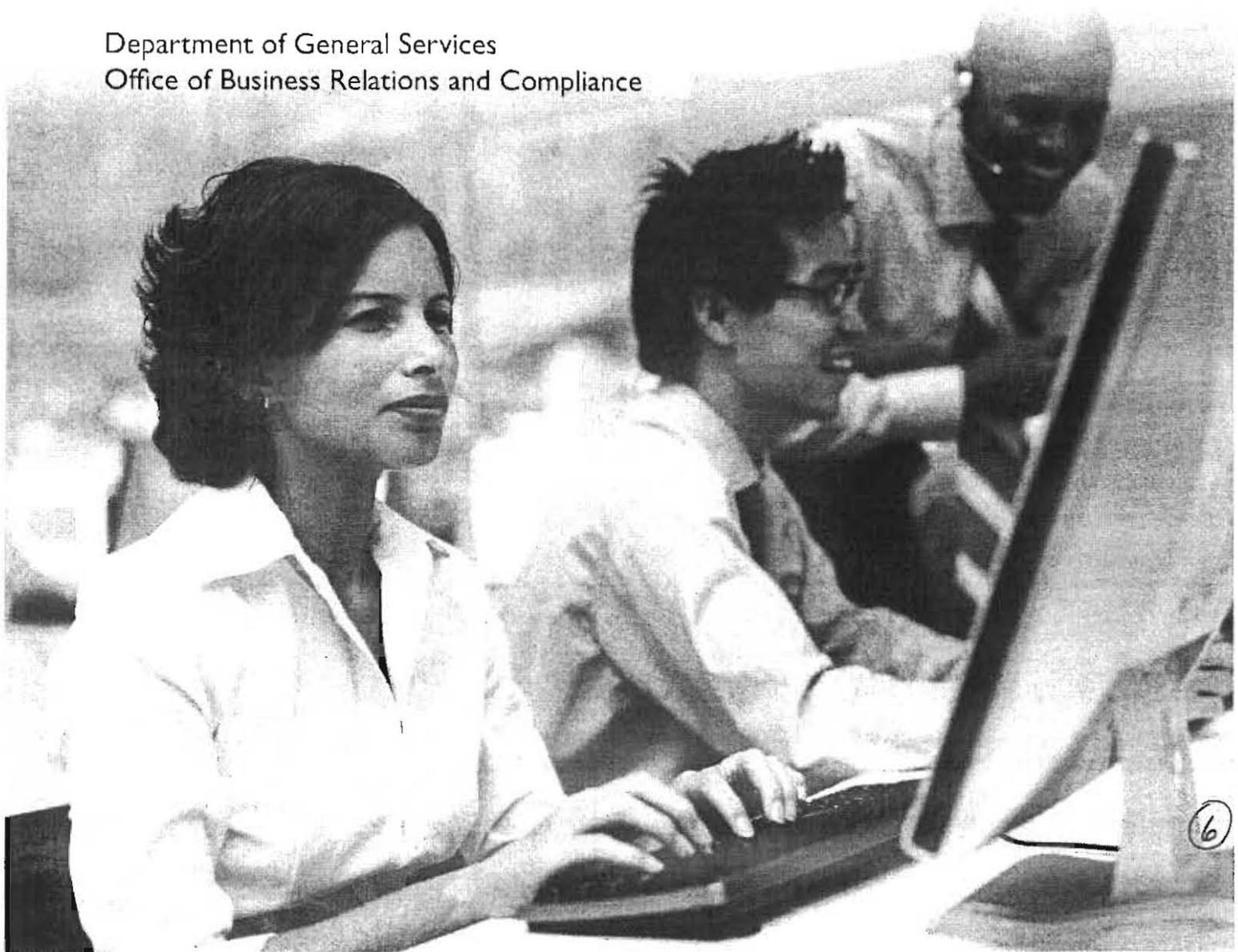
For a complete copy of OLO Report 2010-4, go to: www.montgomerycountymd.gov/olo.
This document is available in alternative formats upon request.

Montgomery County Government Local Small Business Reserve Program



FY 2011 ANNUAL REPORT

Department of General Services
Office of Business Relations and Compliance



Message from the County Executive



In Montgomery County, we've responded aggressively to the current economic downturn to maintain the vitality of our local economy. In December 2008, I announced economic stimulus measures that included 11 action items to sustain and enhance the viability of the business community. Nearly 95% of Montgomery County's companies are considered small businesses. Together, they are a strong and powerful engine that drives our economy. The newly enacted Local Small Business Reserve Program (LSBRP) is one measure that will keep our economic engine running. Under this program, Montgomery County's departments and agencies have made a commitment to allocate 20% of their purchases of goods and services for the small business community. Passage of the Local Small Business Reserve Program (Bill 3-09) was the result of cooperation between my office, members of the County Council and stakeholders in the business community. It is gratifying that through collaboration we have come together to take a positive step towards ensuring our economic security. Please take a few minutes to read the related information, and register if your business is eligible for the program.

Message from the Director



Montgomery County is home to a robust local small business community that provides a wide array of goods and services to local residents, other businesses, and clients in the public sector, including the federal government. Over recent years, all businesses have experienced the severe impact of a slowed economy and prolonged recovery. This impact has been particularly acute on small businesses. Recognizing this, two years ago the County Executive initiated an economic assistance program directed at helping Montgomery County small businesses that included increasing the amount of contracting performed by the county government with the local small business community. Changes were made to the existing Local Small Business Reserve Program and clear direction was sent to county departments to think local when looking for contractual resources to meet county requirements. These measures provided great tools to the newly created Office of Business Relations and Compliance in building linkages between the business community and county departments.

I am pleased to note this FY2011 Annual Report for the Local Small Business Reserve Program reflects significant increases in the amount of County contract activity with local small businesses since FY2010, and dramatic increases since the program's inception in 2008. We look forward to continuing the success of the Local Small Business Reserve Program despite the current economic challenges. I invite you to read this report and forward your comments and questions to the Office of Business Relations staff at obr@montgomerycountymd.gov.

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Executive Summary

This report describes the activities of Montgomery County's Local Small Business Reserve Program (LSBRP) in FY11, which marks the completion of the third year under LSBRP Bill 3-09 and Montgomery County Executive Regulation 2-09, introducing sweeping changes in the way Montgomery County does business with local small businesses. The LSBRP is managed by the Office of Business Relations and Compliance (OBRC) in the Department of General Services (DGS). OBRC initiatives in FY11 resulted in significant changes, including: improved business processes, migrating several manual systems into the county's new ERP system, implementing a web based system for processing LSBRP exemption requests, and enhancements implemented with the Central Vendor Registration System (CVRS) to make the registration and the certification and recertification processes easier for local businesses. A major burden was removed from departmental contract administrators when the OBRC assumed full responsibility for reconciling thousands of Purchase Orders, and assigned each to the correct exemption category. The use of automated system improved the ability to collect, tabulate and auto check data aided in accurate and usable report to date. Automation has reduced the workload previously performed by departmental contract administrators.

Montgomery County's Local Small Business Reserve Program is recognized as one of the best in the nation. Numerous requests for guidance in developing LSBRP programs have been received from jurisdictions, including the Maryland counties of Prince George's, Howard, Charles, and Baltimore and Monmouth County, New Jersey. Having seen the structure and success of Montgomery County's LSBRP, these municipalities see it as a model to follow when developing similar programs.

Throughout FY11 several Chambers of Commerce and business groups extended invitations for OBRC staff to address their organizations. Outreach and communications now include two weekly e-mailings to ensure local businesses are aware of contracting opportunities. Local businesses both large and small have voiced appreciation for the County's commitment to a business community that is robust, viable and growing.

The LSBRP FY11 business plan focused on three areas; increasing the number of solicitations reserved for the LSBRP, increasing the number of contracts awarded to LSBRP vendors and identifying the total dollars spent with LSBRP vendors regardless of the expenditure type. In order to achieve the reported results numerous process changes were implemented and new standard operating procedures (SOP) were put into practice.



The economic crisis of the last several years has created a challenging environment both locally and nationwide. The LSBRP evens the playing field for local small businesses and provides an increased opportunity for growth and service to our home county. The online application is amazingly straight forward. We were awarded a contract in 2010, providing local people, with good jobs, making real contributions to our community. What LSBRP has done, is to create a cycle of growth that benefits small business, workers and ultimately the greater community.

Toby Studley President
SPS Consulting, LLC

Formal and Informal Solicitations:

Formal solicitations are issued for goods, services and construction valued over \$100,000. Informal solicitations are for goods, services and construction valued from \$10,000 to \$100,000. The number of FY11 solicitations reserved for the LSBRP program increased significantly from 20 in FY09 to 73 in FY11 and a 52% increase from the 48 solicitations issued in FY10.

	FY09	FY10	FY11
LSBRP Reserved Solicitations Issued	20	48	73

Contracts Awarded to LSBRP: *

Montgomery County Executive Regulation 2-09 requires that County departments make at least 20% of eligible contract awards to qualified local small businesses.

The County has increased the percentage of participation in contracts with local small businesses each year since the legislation was enacted.

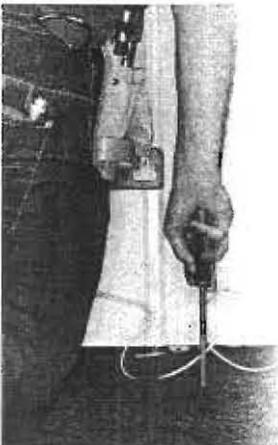
IN \$ VALUES	FY09	FY10	FY11
	Contract Value	Contract Value	Contract Value
Award to LSBRP	\$33,292,903	\$67,511,567	\$58,178,516
% of Eligible	14%	23%	36.5%

Total Payments to LSBRP Vendor:

Total payments to LSBRP vendors represent payments from all sources; Purchase Orders (POs) which are generated from contracts awarded through both regular and LSBRP solicitations and Direct Purchase Orders (DPOs) **

IN \$ VALUES	FY09	FY10	FY11
Total Spending to LSBRP	\$ 6,675,202	\$24,781,604	\$ 46,929,791

** DPOs result from Direct Purchases made on the department level. A Direct Purchase is an informal procurement of goods, services, or construction under the direct authority of the Using Department Head, typically under \$10,000 each.



Background

On December 18, 2008, the County Executive announced his "Eleven Point Package to Aid Businesses Caught in the Recession". The plan's goal was to ease the burden placed on local businesses suffering from the national economic down turn and to preserve jobs. The OBRC was charged with implementing 5 of the 11 responsibilities outlined in the plan:

1. Increase gross annual sales with local businesses.
2. Double the departmental spending goal with local business from 10% to 20%
3. Create additional contracting opportunities for local vendors by unbundling large contracts into smaller multiple contracts for which local business could compete.
4. Create opportunities for small business to collaborate at Local Business Forums in order to facilitate joint venture opportunities for solicitations individually they could not respond.
5. Conduct business fairs for small businesses to learn from County's representatives about upcoming opportunities and how to prepare for them.

All five of these goals were achieved in FY11.

New Legislation

The accomplishments outlined in the report are the results of several initiatives to stimulate employment through local contracting. In FY09 a partial governmental reorganization was implemented creating the Department of General Services and the Office of Business Relations and Compliance. The County Executive and County Council enacted new legislation and Executive Regulations to expand the County's ability to increase contracting with local businesses:

1. Local Small Business Reserve Bill #3-09 9 (April 28, 2009)
Established the DGS Director as the evaluator of a business's capacity to contractually perform
2. County Executive Regulation #2-09 (April 30, 2009)
Double the earning and employee thresholds for small businesses
3. Contracts & Procurement Amendments Bill 45-09 (March 15, 2010)
Made it easier for small businesses to compete for contracts
4. County Executive Regulation #19-09AM (April 1, 2010).
Revised Procurement Regulations



We're thankful the County recognizes small businesses as a stabilizing force in the economy. We are proud to be a part of the Local Small Business Reserve Program (LSBRP).

Ron Rodriguez
Vice President, Business Development
Clean Currents

Eligibility Requirements

Montgomery County actively seeks local businesses to compete for contracting opportunities with the County through the Local Small Business Reserve Program. The County's commitment to maintain a viable and business friendly environment is clearly demonstrated through aggressive engagement and recruiting of eligible businesses and legislation that require a minimum of 20 percent of eligible purchases of goods, services and construction to be made with local small business. Businesses may participate in the program if they are independently owned and have an economic operational base in Montgomery County and meet the following sales or employee thresholds:

BUSINESS TYPE	EMPLOYEE LIMIT	OR	PRIOR THREE YEAR'S AVERAGE SALES	COMPLIANCE REQUIREMENTS
Retail	30			\$5 million
Wholesale	30		\$5 million	Living Wage, MFD
Service	50		\$5 million	Living Wage, MFD
Construction	50		\$14 million	Prevailing Wage
Manufacturing	40		\$14 million	Living Wage, MFD

Innovative Practices

Montgomery County has been a pioneer among local municipalities with its Local Small Business Reserve Program. As referenced earlier, other municipalities view the program as a model for such local outreach efforts. The Department of General Service continues to improve business processes to better serve vendors, using departments, and the goals of the LSBPR program. The following are key improvements made in FY11:

1. **Automated LSBRP annual reporting tool:** Working with the Department of Technology Services, the system is now able to import data from the county's newly launched ERP system, interfacing with Procurement's Contract Database. Under this system, contract administrators need only review LSBRP transactions rather than having to manually input and resolve each transaction.
2. **Implemented on-line "LSBRP exemption requests":** Departments may now submit justification for exemptions on-line. When OBRC receives these requests, we use various tools such as web-based search engines, newsletters, and Department of Economic Development contacts and data bases to actively recruit eligible businesses to compete. This measure has significantly reduced the number of procurements classified as "No LSBRP vendors deemed qualified."
3. **Expanded use of the Montgomery County developed and NACo awarding winning Central Vendor Registration System (CVRS) for LSBRP registration, certification and reporting.**
4. **Hosted networking events:** Workshops and reverse trade shows held to prepare vendors for future contracting opportunities and get more access to purchasing staff in different county departments and other county agencies such as MCPS, HOC, etc.



5. **Met with Department Directors** and contract administrators to issue individual Memoranda of Understanding identifying each using departments' upcoming procurement opportunities. For example, OBRC has met with DGS and OHR directors and mapped out department purchasing requirements for 6-12 months in advance in order to recruit potential vendors and focus attention on how these requirements could be directed to LSBs.
6. **Created and regularly issued three different newsletters** increasing outreach and awareness of competitive opportunities.
 - **OBRC weekly newsletters** to all registered vendors, informing any active solicitations and upcoming networking events.
 - **LSBRP solicitation notification newsletters**, informing all LSBRP any active LSBRP solicitations.
 - **LSBRP future opportunity recruitment newsletters**, informing all LSBRP vendors of any upcoming solicitation scheduled by using departments. This newsletter has contributed greatly on reducing "No LSB vendors qualified" exemption category from 285 million in FY08 down to 23 million in FY11.

Examples of the newsletters:

Having trouble reading this email? [View it in your browser](#)



Local Small Business Contracting Opportunity

Solicitation Number: 1006177 - Maintenance and Repair of VMS Signboards and Radar Speed Trailers

Montgomery County Government through the Office of Procurement has issued an LSBRP solicitation for Maintenance and Repair of VMS Signboards and Radar Speed Trailers. The closing date for this solicitation is April 1, 2011, at 3:00 PM.

Please contact Greg Dilla (240-773-0520) with questions or to receive a copy of the Informals document(s).

Kenneth Taylor, Jr.
 Manager
 Office of Business Relations and Compliance
 Department of General Services
 255 Rockville Pike, Suite 180
 Rockville, Maryland 20850

Additional information about the program can be obtained through the [LSBRP website](#).

You can also click on the link below for additional solicitations.
[Office of Procurement-Formal & Informal Solicitations](#). Thank you for choosing the Local Small Business Reserve Program.

Please visit our [Facebook page!](#)

Office of Business Relations and Compliance
 255 Rockville Pike | Rockville, MD 20850
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Local Small Business Contracting Opportunity

Solicitation Number: 1005455 - Architectural/Engineering Services for Various County Facilities and Systems Projects: Design, Permitting and Construction Administration Services

Montgomery County Government through the Office of Procurement has issued an LSBRP solicitation for Architectural/Engineering Services for Various County Facilities and Systems Projects: Design, Permitting and Construction Administration Services. The closing date for this solicitation is April 22, 2011, at 3:00 PM.

The scope of summary is as follows:

The County intends to use this solicitation to select, and enter into a Contract with, two (2) qualified Contractors to provide Architectural and Engineering Services for the design, permitting, and construction administration of new construction or renovation of various County facilities and systems, including but not limited to: office buildings, auto-bus heavy equipment maintenance facilities and depots, liquor and general warehouses, transit centers, specialty projects, day care centers, health care centers, indoor and outdoor swimming pools, social services shelters and residential facilities, detention centers, site improvement projects, new and upgrade/modernization/renovation of various County facilities systems such as HVAC systems, life safety systems, power and emergency power systems, and indoor air quality improvement projects.

Kenneth Taylor, Jr.
 Manager
 Office of Business Relations and Compliance
 Department of General Services
 255 Rockville Pike, Suite 180
 Rockville, Maryland 20850

Additional information about the program can be obtained through the [LSBRP website](#).

You can also click on the link below for additional solicitations.
[Office of Procurement-Formal & Informal Solicitations](#). Thank you for choosing the Local Small Business Reserve Program.

Please visit our [Facebook page!](#)

Office of Business Relations and Compliance
 255 Rockville Pike | Rockville, MD 20850
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Process Review Implementations

Technology Enhancements

In order to meet its responsibilities OBRC has embraced the efficiencies of technology to manage many of its processes. A close partnership with the Department of Technology Services has produced highly credible statistical data providing policy makers the information required to correctly determine the Program's future direction. DGS technical staff provided assistance in developing a web based program that tracks the number of "No local businesses deem qualified" waivers approved and disapproved. LSBRP Bill 3-09 placed the responsibility for approving the "No local businesses deem qualified" waiver with the Director of DGS; in doing so, the dollar value of waivers approved decreased by more \$222,000,000 in just three years. New compliance software is being installed with the assistance of ERP staff to track expenditures to subcontracted local businesses and nonprofit organizations as the County Council requested. The newly implemented systems will increase the creditability of CountyStat data relied upon to report on program performance.



**MONTGOMERY COUNTY DEPARTMENTS OF
GENERAL SERVICES & ECONOMIC DEVELOPMENT**
invite you to attend their **FREE** upcoming workshop

Small Business Healthcare Legislation

The latest information to help small businesses operate smoothly and profitably

- ✓ Small Business Healthcare Legislation
- ✓ Bonding Solutions
- ✓ Affordable Employee Health Plans

GUEST SPEAKERS:
Andreas Darley, President, Executive Insurance Benefits, LLC
Sandy Walters, President, Kelly Administrative Services
Karen Barbour, Founder, The Barbour Group, LLC

Thursday, March 18, 2010
7:30-9:30 a.m.

at the Office of the Department of General Services
101 Monroe St. • 9th Floor • Rockville, MD 20850

FREE, advance registration required:
<http://tinyurl.com/yzuo7cw>
If link does not work, please copy and paste the url into your browser.

For more information, please contact Dorothy Bell at 240-777-9947 or Dorothy.Bell@montgomerycountymd.gov




**MONTGOMERY COUNTY DEPARTMENTS OF
GENERAL SERVICES & ECONOMIC DEVELOPMENT**
invite you to attend a **FREE** upcoming forum:

Montgomery County's New Vegetative Roofing Program



The goal of the County's Capital Improvement Program is to design, construct, and commission high-quality, green and sustainable facilities. Vegetative roofs are part of this expanded initiative.

More than four acres of vegetative roofing are currently planned for various County facilities and additional similar projects are in the pipeline. New County facilities will consider vegetative roofs, including Police Headquarters, the Liquor Control Warehouse, the Equipment and Maintenance Operations Center and Montgomery County Public Safety Facilities.

Vegetative roofs offer several benefits to the environment:

- improve air and water quality
- reduce HVAC cooling loads
- extend roof life
- reduce noise
- reduce heat island effect
- reduce storm water run-off

Montgomery County's agricultural, horticultural, and construction contractors can benefit from participating in the program.

This forum will identify potential economic opportunities for several of Montgomery County's business communities.

These projects will require planting, mulch, soil, seeding and other construction materials. Other service requirements may include system design and engineering, installation of media and rooting, waterpiping, media delivery, crates and services to convey media and custom blending of media.

Learn how you can be part of this innovative program.

Wednesday, July 7, 2010
10 a.m. – 12 noon

Agricultural History Farm
18410 Muncaster Rd. • Derwood, MD 20855
(301) 590-3810 • (301) 590-9638

FREE, advance registration required:
<http://vegetativeroofingprogram.eventbrite.com>

For more information, please contact Karina Dierksen at 240-777-9947 or Karina.Dierksen@montgomerycountymd.gov



As a resident of Montgomery County for more than 15 years and small Business owner since 2004, it is my hope that the LSBRP will continue to grow into a strong and viable organization that supports dedicated small business owners by helping create a fair and level playing field for capable small business.

I am pleased to see that the LSBRP is managed by independent spirits motivated to provide Montgomery County's small businesses community with the opportunity to deliver affordable, "no fail" services to the taxpayer.

Sarah Iranpour
President | CEO
Technology Digest, Inc.

Marketing and Outreach

Most socio-economic programs consist of several staff responsible for marketing, outreach compliance and other related functions. Peer jurisdictions typically employ 10 or more people to perform the activities of the OBRC. However budget and fiscal restraints prevent equivalent staffing in the OBRC. Nevertheless, OBRC staff continues to organize and host events, in collaboration with County departments and agencies, to promote County programs and requirements of interest to business and of benefit to the County and its residents.

Examples of OBRC-hosted events:

Business Mentoring

Business owners visit the OBRC seeking business information on a number of topics. Most often businesses learn about the OBRC through presentations to civic groups, chambers, faith-based and other nonprofit organizations. The business community is often referred by County staff that has been approached by businesses seeking contracting opportunities. OBRC seeks to assist businesses in improving competitiveness on County contracts, or will refer them to Economic Development for general business development support. What is evident is that county small businesses see OBRC as an advocate and resource to the local business community.

Wednesday Business Briefings

Wednesdays are reserved for individual meetings with business owners. A series of questions during the initial telephone request to schedule a meeting are used to gather data directly related to the business owner's interest. Very often contract administrators, purchasing specialist and subject matter experts will attend the meetings. This team approach to business meetings has proven to be extremely successful. The owner is provided the telephone numbers and email addresses of staff members for future contact.

Coffee Shop Meetings

Many of business people prefer meeting the beginning of their business day. The Chambers of Commerce typically begin their meetings at 8:00 or 8:30 am. At other times many business people meet for coffee near their business or prior to appointments. OBRC-sponsored Coffee Shop meetings have proven to be very effective.



nanadesign



Thanks to the Local Small Business Reserve Program, Nana Design is working with the Montgomery County Department of Environmental Protection to develop a Green Montgomery website. This site will be the first and only website where county residents can find comprehensive information on how to live a greener life in Montgomery County.

The Local Small Business Reserve Program has helped open doors to county projects. In addition to being awarded the Department of Environmental Protection website project, we are currently developing a proposal county agency project thanks to the reserve program.

Polina Pinchevsky
President | Creative Director
Nana Design

Business Forums

The Department of General Services and Montgomery College hosted business forums in FY11. These forums bring together businesses to network and learn about the County's contracting procedures and opportunities. Businesses seeking contracting opportunities are invited to serve as panelists. The Department of General Services hosted one such business owner panel at which businesses presented their capabilities to representatives from the procurement offices of various county agencies under the County's "County Agency Resource Sharing" initiative.

High Dollar Value Contracting

OBRC also targets higher dollar value contracting opportunities for LSBRP solicitations. As a result, solicitations and contracts awarded over one million dollars increased dramatically in the areas of environmental management, construction, architecture and engineering, specialized public safety equipment, temporary and administrative support to governmental agencies.

Unbundling of large volume contracts into multiple contracts for which local businesses can compete has also proven successful. The unbundling of two janitorial services contracts under a LSBRP solicitation issued in late FY11 will result in at least four local vendors providing the services starting in FY12. The practice of unbundling demolition, A&E and numerous construction trade related services from one general construction contract created millions of dollars in opportunities for many local vendors. The Office of Human Resources solicited and awarded contracts to three local businesses for services previously held by single national corporation for many years.

Other examples that demonstrate the willingness by County departments to take advantage of opportunities resulted in measurable outputs including:

1. More local small businesses functioning as prime contractors delivering higher dollar value goods, services and construction projects. (See table 3 for additional information.)
2. FY11 being the most productive LSBRP year yet for producing solicitations and awarding contracts to local vendors.
3. The 20% local spending mandate was exceeded.

Montgomery County is home to a robust community of highly qualified local small businesses with the skills, technology, resources and the ability to deliver many of the goods, services and construction projects required by the county government. Access to new opportunities through progressive legislation is important to increasing small businesses opportunities and local job creation.



Participating in the Montgomery County Local Small Business Reserve Program has been instrumental in helping to grow our business over the last couple of years. We are able to compete on an even playing field for service contracts that are reserved for small businesses within the county and we have been fortunate to be awarded contracts to provide skilled resources to supplement the County's ERP implementation team.

Colin Dalzell
CEO | EEPEX Inc

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FY11 Accomplishments

1. Reduced the contracts dollars not awarded to LSBs from \$222,400,000 in FY09 to \$23,410,000 in FY11
2. Increased the total dollars spent with local businesses from \$6,675,202 in FY09 to \$46,929,791 in FY11
3. Increased the number of contracts awarded over \$100,000 from 17 in FY09 to 36 in FY11
4. Increased the total dollar value of contracts awarded over \$100,000 from \$32 million in FY09 to \$52 million in FY11
5. Increased the total number of LSBRP solicitations from 20 in FY09 to 73 in FY11 (number includes cancellations)
6. Increased the number of LSBRP solicitations reserved and awarded contracts from 14 in FY09 to 60 in FY11
7. Increased the total dollar value of contracts awarded to local businesses from \$33,292,903 in FY09 to \$58,178,516 in FY11
8. Eligible purchases from local businesses exceeded 20% for the first time
9. Twenty-one (21) county departments meet or exceed the 20% spending goal

Next Steps

The Office of Business Relations and Compliance is always looking for ways to provide more opportunities for local small vendors to win business with the County. To that end, OBRC is pursuing these additional initiatives in FY12:

1. Consult with the business community to make registration, reporting and notification faster, easier and more user-friendly.
2. Together with Office of Procurement and the Department of Economic Development to host networking events and educational "How to" workshops for vendors on topics such as "How to write a successful proposal," "How to be sure your bid is responsive and you are responsible," "How to obtain bonding and insurance required for county contracts," "How to understand County terms and conditions," and other topics suggested by businesses.
3. For construction projects, promote LSBRP sub-contractor participation by:
 - a. Developing a series of contract schedules for commonly used commodities/services required on construction contracts that list LSBRP vendors as a reference for prime contractors to identify potential sub-contractors.
 - b. Add an LSBRP sub-contractor performance plan in construction solicitations for the prime contractor to submit.
4. Review the current Law and the Regulation with the intent to clarify current ambiguities and broaden opportunities to benefit local businesses prior to when the Law is currently scheduled to sunset on December 31, 2012.



FY09 – FY11 Comparative Program Measures

Contracts Awarded to LSBRP (Based on Contract Execution Date)

Contracts that are executed in FY11 totaled \$582 million. 36.5% of the eligible contracts were awarded to Local Small Businesses, totaling over \$58 million.

TABLE 1: Three Year Comparison of Contract Dollar Values Awarded to LSBRP Companies

Contract Dollar Values	FY09	FY10	FY11
Total Award	\$ 521,305,905	\$ 526,869,948	\$ 581,951,169
Eligible to LSBRP	\$ 235,562,986	\$ 295,663,286	\$ 159,134,688
Award to LSBRP	\$ 33,292,903	\$ 67,511,567	\$ 58,178,516
Percent eligible awarded	14%	23%	36.5%

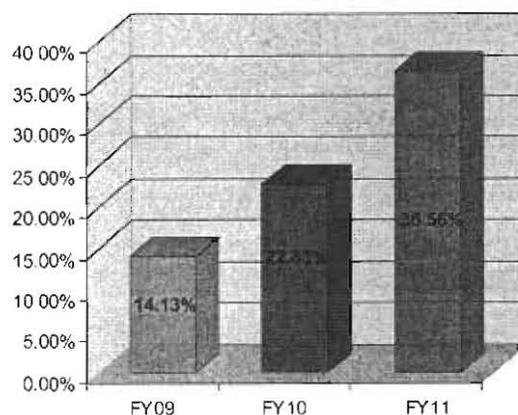


TABLE 2: Three Year Comparison of Number of Contract Awards to LSBRP Companies

Number of Contracts	FY09	FY10	FY11
Total Award	647	701	534
Eligible to LSBRP	637	684	519
Award to LSBRP	72	100	136
Percent eligible awarded	11%	15%	26%

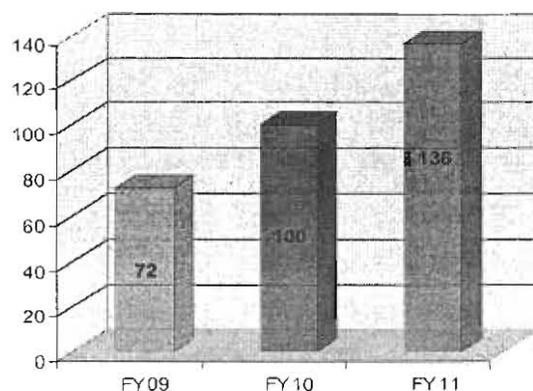


TABLE 3 - Major Contracts (over \$100,000) Awarded in FY11 to LSBRP

DEPT	CONTRACT DESCRIPTION	VENDOR NAME	ESTIMATE AMOUNT
DEP	Public Outreach & Education Services for Integrated Waste Management	Brotman-Witner-Fried Consulting, Inc	1,500,000
	Graphic Arts Services	Fitch & Company, Inc	120,000
DGS	Carpet and Carpet Tile, Installation and Repairs Services	Clover Carpet Company Inc	500,000
	Time and Material Custom Millwork Services	J Roland Corp	748,800
	T&M Carpentry and Painting for County Facilities	Colossal Contractor Inc	800,000
	T&M Masonry Services	Colossal Contractors, Inc	2,000,000
	Construct. Services for Various County Facility Projects	CDCI, Inc	5,000,000
	A/E Services for Design, Permitting & Construction Administration of Various County Facility Projects	Oudens & Knoop Architects PC	10,000,000
	A/E Services for Design, Permitting & Construction Administration of Various County Facility Projects	Nuray O. Anahtar, AIA d/b/a NOA	10,000,000
	Provides courier delivery services.	J & M Delivery Services, Inc.	120,129
	Grounds Maintenance Services for Recreation Facilities	Julio A Ortiz t/a Kiaras Landscaping Company	263,076
	Aftermarket Automotive Parts	Looper Servicenter, Inc.	400,000
DHCA	Assistance with Acquisition and Property Management of Affordable Housing for Adults with Disabilities and Administration of the Community Housing Development Organization operating Funds Under the Home Investments Partnership Program	Housing Unlimited, Inc	102,920
	Arliss Street Streetscape	Highway & Safety Services, Inc	248,791
DOT	Bus Stop Inventory and Monitoring Services	KFH Group Inc	730,340
	Traffic Control Devices and Flaggers	Highway and Safety Services, Inc	747,245
	Traffic Surveillance Airplane Lease	Brandebury Tool Co, Inc.	876,000
	Painting - County Wide VI, Shady Grove Bridge No. M-191-3,4 and Spring Street Bridge No. M0078	Ardent Company, LLC	1,076,480
	Pay-By-Cell Phone Parking Services	MOBILENOW LLC	1,250,000
	Seasonal Laborers - Groups I and III	Earn Contractors, Inc	1,318,032
	Web Related Technology Services and Support	Network Engineering & Resources Development	1,500,000
	Seasonal Laborers - Groups II, IV and V	Colossal Contractors, Inc	1,663,200
FIN	Rental of Construction Equipment	United Rentals, Inc	300,000
FRS	Printing and Mailing of Property Tax Bills, Pamphlets and Envelopes	Formost Graphic Comm Inc	165,095
OHR	Globe G-Xtreme Personal Protective Ensemble Garments	Maryland Fire Equipment Corporation	3,739,045
	Temporary Clerical and Administrative Support Services	SPS Consulting LLC	1,666,667
	Temporary Clerical and Administrative Support Services	BPX Technologies, Inc	1,666,667
POL	Temporary Clerical and Administrative Support Services	Ist Choice Staffing, LLC	1,666,667
	multi-agency uniform tailoring and alteration	Hector the Designer Inc	110,000
REC	Multi-Agency Uniform Apparel Tailoring and Alteration	8517 Oakmont LLC	120,000
	REC OPEN Recreation Aquatic Instructor	Montgomery Stroke Turn	600,000
	REC OPEN Recreation Aquatic Instructor	Maneth Gravell	100,000
	Provides custodial services for the Germantown Indoor Swim Center.	Professional Hispanic Contractors	102,000
	REC OPEN Recreation Instructor	Geiza Dourado Carvalho	200,000
	REC OPEN Recreation Aquatic Instructor	Premeir Swim Inc	300,000

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Solicitations Issued in FYI I: (Based on Solicitation posting date)

Number of Formal and Informal Solicitations ISSUED to LSBRP

	FY09	FY10	FY11
Formal Solicitation	16	35	51
Informal Solicitation	4	13	22
TOTAL	20	48	73

Number of Issued Formal and Informal Solicitations subsequently CANCELED

	FY09	FY10	FY11
Formal Solicitation	6	19*	13**
Informal Solicitation	0	0	0
TOTAL	6	19	13

Solicitations may be cancelled due to; (1) a lack of response, (2) if the bidders or offerors responding are subsequently found to be unqualified to perform the work, (3) if responding companies are found to not meet the eligibility requirements, (4) bids or proposals are withdrawn leaving no eligible bidders, or (5) the department cancels due to a lack of funds or the termination of the original requirement.

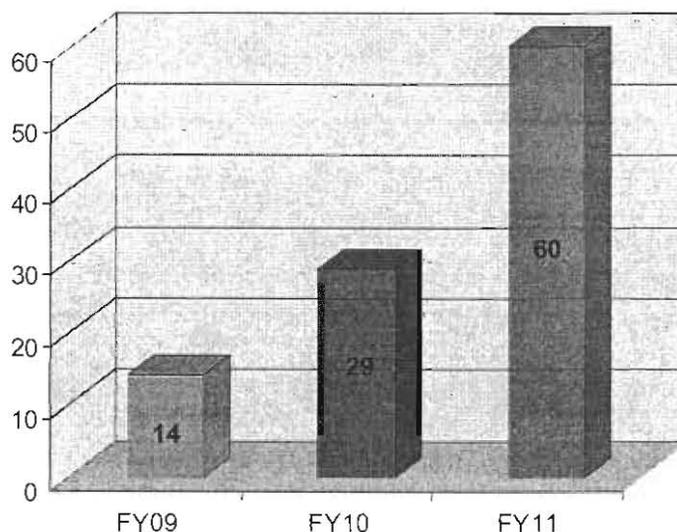
Number of Formal and Informal Solicitations RESERVED AND AWARDED to LSBRP

	FY09	FY10	FY11
Formal Solicitation	10	16	38
Informal Solicitation	4	13	22
TOTAL	14	29	60

*One solicitation may generate multiple contracts.

**There may be up to 6 month on the date a solicitation is issued and the date a contract is executed.

FIGURE 4: Three Year Comparison of Solicitations Reserved and Awarded to LSBRP



In FY11, solicitations reserved and awarded to LSB vendors have more than doubled from FY10. This increase is attributed to improved work flow in procurement process and FY09 legislation that required the Director of the Department of General Services to approve all exemption requests under the category "No LSBRP vendor deemed qualified!"



Procurement Spending (PO/DPOs) in FY11:

(based on PO/DPO approval date)

This section of the Report deals with payments made to local small businesses, which differs from earlier sections that reference contract awards that may cover multiple years. OBRC tracks both categories recognizing that payments for work performed typically lag behind contract awards by 6 to 12 months. The following performance indicators reflect both transaction activity as well as payments to businesses.

TABLE 4: Three Year Comparison on Eligible LSBRP Expenditure

PROCUREMENT EXPENDITURES, FY09-FY11						
Exemption Categories	FY09		FY10		FY11	
	\$ in millions	Percentage	\$ in millions	Percentage	\$ in millions	Percentage
Total Procurement Dollar	\$977.9		\$973.96		\$1,050.69	
Eligible for LSBRP Procurement	\$40.2	4.1%	\$85.8	8.8%	\$39.48	3.7%
Procurement Expenditure to LSBRP	\$6.7	16.6%*	\$12.7	14.8%	\$8.0	20.3%

*The FY09 goal was 10%.

The “eligible” spending against which annual performance is measured, resulting in FY11 performance of 20.3%, is based on the portion of solicitations awarded to LSBRP vendors out of all eligible solicitations, the balance of which are considered open to non-LSBRP businesses.

A Closer Look at Exempted LSBRP Spending

FY11 is the first year data was collected through the County's new ERP system. In previous years collected payment data included data from separate systems tracking Purchase Orders (PO), Direct Vouchers (DV) and Vouchers (VC). In FY11, the payment data includes PO and Direct Purchase Orders (DPO) approved.

Highlighted in table 5 are categories significantly impacting the overall availability of annual contracting dollars to local small businesses, or any other businesses; (1) Pre-existing Contract and (2) Procurements exceeding \$10M.

Pre-existing Contract (highlighted in YELLOW in Table 5) - Many County contracts are for terms that exceed a single 12-month period and often extend for three to five years. Therefore, a contract awarded this year and reflected in the award statistics reported earlier, will remove from the competitive pool the annual expenditures available for open competition as long as that contract term is in force. In FY11 this “pre-existing contract” category accounted almost 32% of contract expenditures

Procurements exceeding \$10M (highlighted in GRAY in Table 5) – legislation creating the LSBRP initiative presumes that all contracts valued under \$10M will be reserved for competition among local small businesses unless other exemption criteria apply. This is also the County contract award threshold over which a business no longer qualifies to be considered “small.” In FY11 the County awarded a number of large construction contracts valued far in excess of \$10M. As a result this category accounted for almost 58% of all contracting dollars awarded in FY11.



These two categories combined for \$869.7M or 80.45% of all LSBRP exemptions in FY11. This spending distribution is further illustrated in the following tables.

Besides the two categories of Pre-existing Contracts and Procurements Exceeding \$10M, another \$78.8M in exemptions (highlighted in GREEN in Table 5) were for contracts in which no competition was possible since the contracts were with other public entities or were directed to specific companies because of grant requirements or were non-competitive awards.

TABLE 5: Detail Contracts Exempted from LSBRP Procurement

EXEMPT CONTRACT EXPENDITURES, FY09-FY11						
Exemption Categories	FY09		FY10		FY11	
	\$ in millions	%	\$ in millions	%	\$ in millions	%
Chief Administrative Officer Waiver	\$1.50	0.15%	\$3.90	0.46%	\$0.30	0.03%
Conflicts with law or grant	\$48.00	5.00%	\$25.20	2.95%	\$13.00	1.34%
Public or Emergency Procurement	\$75.60	7.87%	\$45.70	5.35%	\$43.50	4.47%
Non-competitive contract	\$104.80	10.92%	\$100.50	11.77%	\$22.30	2.30%
Pre-existing Contract	\$224.60	23.40%	\$493.60	57.81%	\$307.80	31.66%
Procurement Exceeds \$10 million	\$242.70	25.29%	\$73.80	8.64%	\$561.90	57.79%
No LSBRP vendor deemed qualified	\$222.40	23.17%	\$111.20	13.02%	\$23.40	2.41%
TOTAL	\$919.50	100%	\$853.90	100%	\$972.30	100%

In FY11, OBRC introduced an online form that Contract Administrators would use to submit "LSBRP exemption request." This heightened level of accountability contributed to the large decrease in the "No LSBRP vendor deemed qualified." Following procedures implemented in late FY10, when a department submits a request with "No-LSBRP vendor deemed qualified," OBRC staff conducts an "Active Recruiting" by sending out email notifications to registered businesses as well as businesses identified by chambers of commerce, Economic Development records, and Internet searches in an effort to encourage business' participation in the procurement. Following this procedure, the value of exemptions taken under this exemption category dropped from over \$285 million (33%) in FY08 to \$23.4 million (2%) in FY11. (See Table 5 above and the following Figures 6 and 7 comparing FY11 results with FY08 figures when the LSBRP program completed its first year.)



I had been the Senior Procurement Executive for 25 years with various federal agencies, and I would have given anything to have the web based support systems that your office possesses. The ability to see pending solicitations and expiring contracts is a tremendous value for small businesses that cannot afford sophisticated business development efforts.

Bill Campbell
Principal
TFC Consulting, Inc.

FY08 and FY11 Exemption Details

Figure 6: FY11 Exempted Expenditure Breakdown

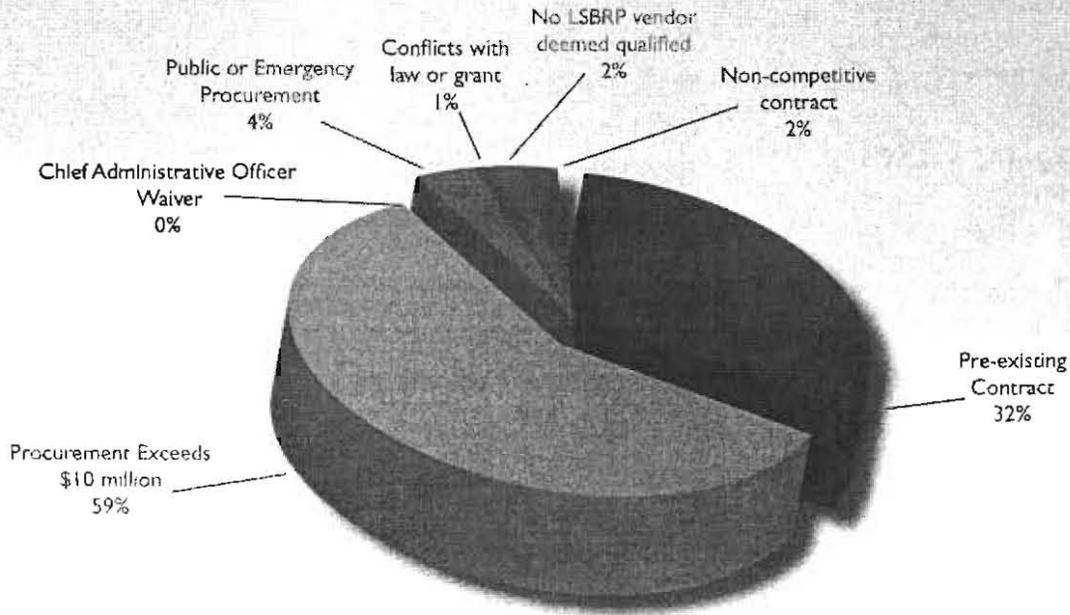
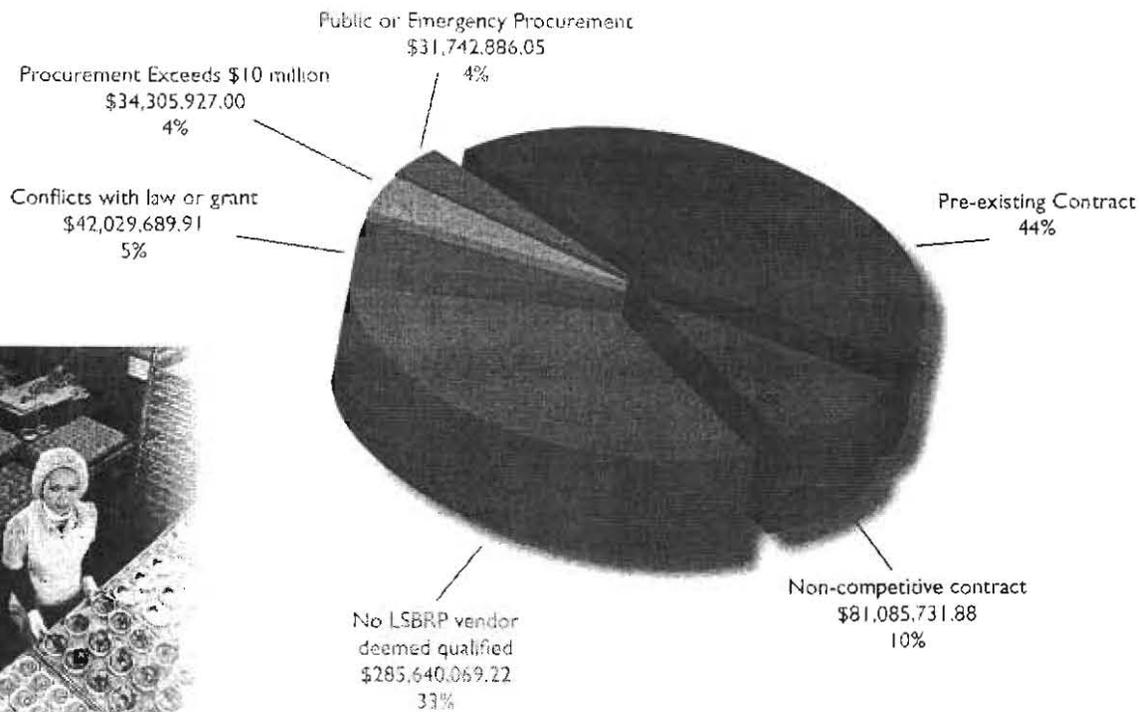


Figure 7: FY08 Exempted Expenditure Breakdown



A total of \$102.2M of the County's FY11 competitive contract opportunities (highlighted in YELLOW in Table 6) could be considered available for LSBRP competition. These are opportunities in which it would be reasonably assumed that sufficient competition exists to support a competitive solicitation under the LSBRP as program enrollment increases and resources can be further devoted to identifying companies qualified to meet County requirements.

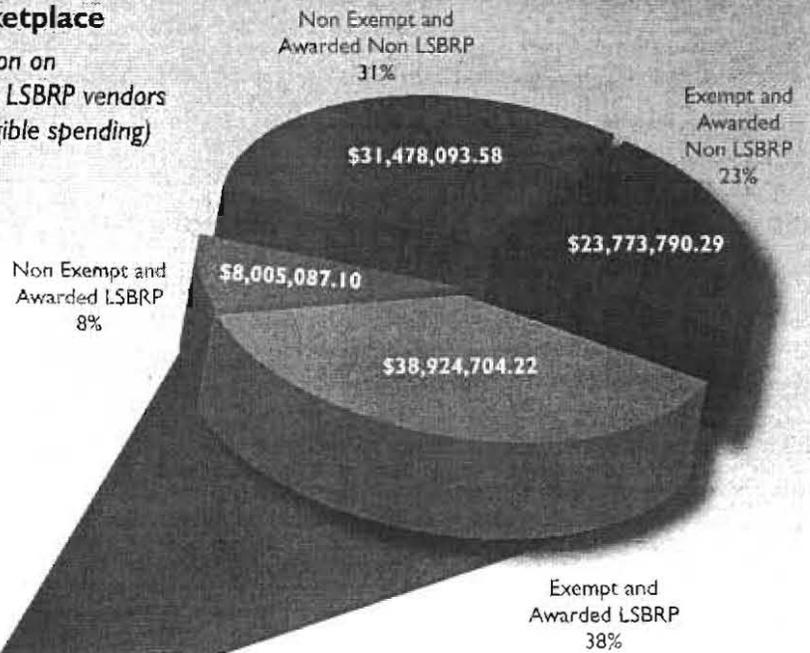
TABLE 6: FY11 Procurement Expenditures Summary

CATEGORIES			# OF PO	\$ AMOUNT VALUE	SUB TOTAL					
Not Ex-empted	Non exempt & Awarded non LSBRP	Advertised LSBRP, but Re-advertised Open Solicitation	6	\$1,088,699.97	\$31,478,093.58					
		Non exempt and Awarded non LSBRP	2921	\$30,389,393.61						
	Non exempt & Awarded LSBRP	Non exempt but Awarded LSBRP	305	\$4,531,684.02				\$8,005,087.10	\$39,483,180.68	
		Advertised LSBRP Solicitation and Awarded LSBRP	98	\$3,473,403.08						
Exempted from LSBRP	Exempt & Awarded LSBRP	N/A	25	\$1,256,535.65	\$38,924,704.22		\$46,929,791.32*			
		Non-competitive contract	3	\$156,750.00						
		Pre-existing Contract	481	\$25,345,951.51						
		Procurement Exceeds \$10 million	39	\$12,165,467.06						
	Exempt & Awarded non LSBRP	Chief Administrative Officer (CAO) Waiver	5	\$332,211.00				\$972,277,687.35		
		Conflicts with State, federal, or local law or grant requirement	121	\$13,040,857.81						
		No LSBRP vendor deemed qualified by Using Department	627	\$23,441,579.29						
		Non-competitive contract	190	\$22,343,908.99						
		Pre-existing Contract	3019	\$307,792,585.97						
		Procurement Exceeds \$10 million	283	\$561,853,863.71						
		Public Entity or Emergency Procurement	40	\$43,472,680.58						
	TOTAL							\$1,050,685,572.25		

* Shows all expenditure towards LSBRP vendors

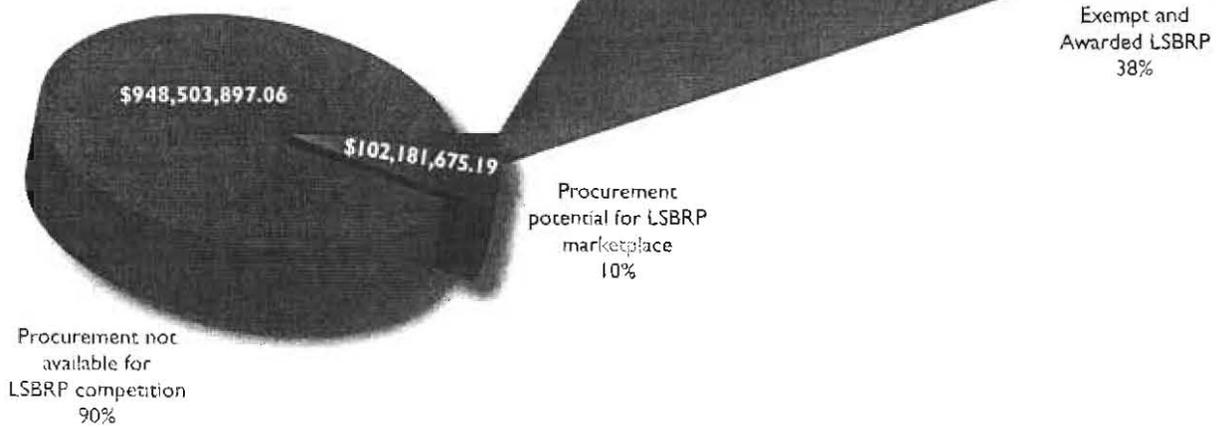
Potential LSBRP Marketplace

FIGURE 8: 3 year comparison on Procurement expenditures to LSBRP vendors (includes eligible and non-eligible spending)



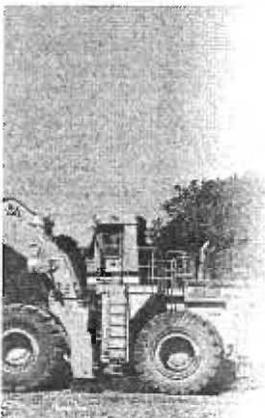
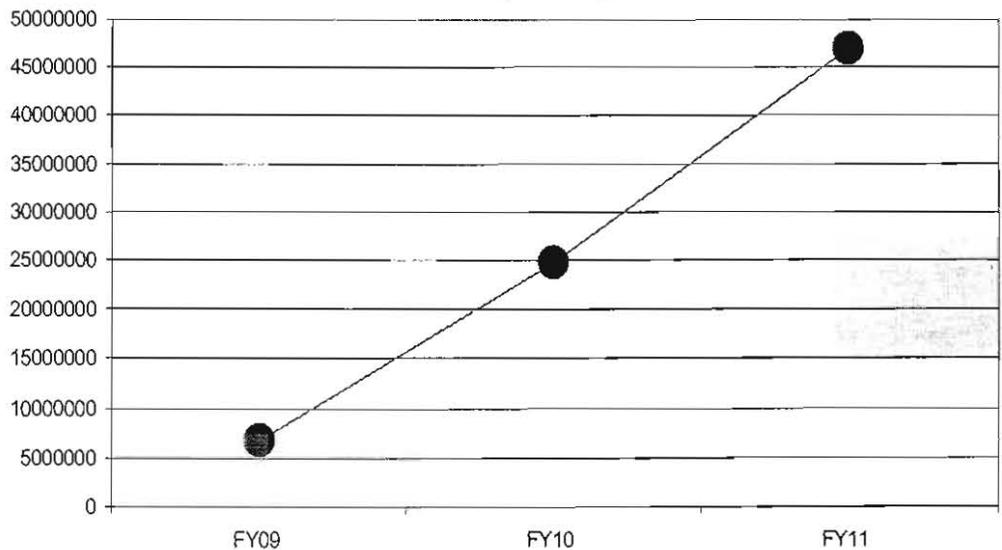
FY11 Procurement Expenditure

FIGURE 9: FY11 Procurement Expenditure available to LSB competition



As illustrated in Figure 9, of the \$102.2M potential LSBRP opportunities, \$46.9M, or 45.9%, was awarded to local small businesses.

Total Spending to LSBRP



LSBRP expenditure by Department

More departments have meet their annual 20% goal in FY11

TABLE 7: Department spending towards LSBRP vendors

DEPARTMENT	LSBRP SPENDING	%
Board of Investment TrusteesTop of Form	\$ 506,670	7%
Board of Supervisors of ElectionsTop of Form	\$ 5,997	1%
Office of The County ExecutiveTop of Form	\$ 26,914	46%
Circuit Court	\$ 90,798	44%
Department of Fire/Rescue ServicesTop of Form	\$ 110,106	91%
Department of Economic DevelopmentTop of Form	\$ 22,956	29%
Department of FinanceTop of Form	\$ 1,193,418	94%
Office of the County Council	\$ 93,947	92%
Department of Environmental Protection	\$ 4,004,193	90%
Department of Housing & Community Affairs	\$ 755,014	82%
Office of Human Resources	\$ 98,286	50%
Department of General Services	\$ 17,986,528	86%
Department of Correction & Rehabilitation Services	\$ 597,940	34%
Department of Recreation	\$ 450,002	55%
Office of Public Information	\$ 226,180	98%
Office of Management & Budget	\$ 18,553	40%
Department of Police	\$ 1,360,053	32%
Department of Transportation	\$ 13,755,430	62%
Office of the County Sheriff	\$ 241,800	99%
Department of Liquor Control	\$ 1,140,158	85%
Regional Services Centers	\$ 24,008	13%
Department of Health & Human Services	\$ 3,491,240	38%
Department of Public Libraries	\$ 31,462	40%
Department of Technology Services	\$ 697,836	42%
TOTAL	\$ 46,929,791	100.0%

Departments Compliance with LSBRP Requirements, FY09-FY11

TABLE 8: Number of Departments that meet/do not meet the 20% goal

	FY09	FY10	FY11
# of Depts that meet requirement	19	16	21
# of Depts that do not meet requirement	4	6	3
TOTAL	23	22	24



The LSBRP provides many opportunities for local businesses to connect directly with the County as prime contractors. The newly enacted LSBRP legislation established a local spending goal of 20% for County departments and agencies.