

PROCUREMENT POLICES AND REGULATIONS TASK FORCE

MEETING MINUTES

April 9, 2015 – 4:00 p.m.

5th Floor Council Conference Room, Council Office Building

Members Present

Wayne Cobb
Linda Moore
David Robbins, Chair

Members Absent

Tom Creamer
Eppie Hankins
Buddy Henley
Daniel Parra

County Staff Present:

Peter Bang, Department of Economic Development
Jeff Knutsen, Department of Transportation
Richard Melnick, County Attorney's Office
Jim Osborne, Department of Technology Services
Mary Anne Paradise, County Council
Linda Price, County Council

I. Call to Order and Approval of Minutes

The meeting commenced at 4:02 p.m. A quorum was not achieved with three of seven members present. The minutes of the March 26, 2015, meeting will be considered at the April 23, 2015, meeting.

II. Department of Economic Development Involvement in County Procurement

Mr. Peter Bang, Chief Operating Officer, DED, explained that the Department's mission is to retain existing businesses in the County and to attract new ones, market new programs, and educate the public about the County's assets. DED has a different perspective than other agencies because it operates as a government agency, but is also heavily involved as a resource to improve the experience for businesses.

- The County has 32,000 to 38,000 businesses with 29,000 private employers
- 252 businesses with over 200 people; 1323 businesses with over 50 people
- 21,062 businesses with 5 or fewer employees
- The department serves as a complaint line for businesses
- Government contracting not appropriate for all small businesses, given the requirements of certain contracts
- Hopes to establish a database of local businesses and government contracting opportunities
- DED helped create the Local Small Business Reserve Program for the County. The program was moved to Procurement in 2007

Mr. Bang also offered some personal observations on the County's procurement program and DED's experience as a using department.

- The County's Procurement Office is very understaffed; delays due to capacity issues, not legal review, unless the scope is unclear
- Some automation has helped decrease time, but additional manpower is needed as the process can't be fully automated

- Agencies should start the procurement process earlier. The Council passes the budget for the July 1 fiscal year start in May. However, departments submit their budgets the preceding November, which gives departments time to prepare for procurements.
- Need proper information in the procurement templates; limited categories cause difficulties
- DED tries to use different vendors for different occasions and regularly utilizes the LSBRP program

III. Using Departments Procurement Discussion: Department of Technology Services (DTS) and Department of Transportation (DOT)

To guide the discussion, DTS and DOT were asked to provide information on the following topics:

- Department background;
- Volume/Amount of contracts per year;
- Types of procurements (RFP/IFB/Informal/Non-Competitive);
- Length of time it generally takes from creation of solicitation through contract award;
- Any issues that have come up during the procurement process;
- What in the procurement process takes the most time or holds up the process;
- What are some areas of improvement or changes you'd make within your department to improve the procurement process; and
- What are some areas of improvement or changes that you'd make with the parties involved in the procurement process (OMB, Procurement, County Attorney, businesses, etc.)?

Mr. Osborne, Contract Manager for the Department of Technology Services, is responsible for procuring the County's core IT systems, radio systems, desktop computers, software, etc. DTS' focus is the County as an enterprise. DTS has 60-100 contracts actively maintained, \$54 million annually. Mr. Osborne also spoke to the following points:

- Procurement system not automated. The current system is not user friendly, and discourages vendors. There is a need to develop a good e-procurement system.
- DTS has standing contracts, which have saved money and time. One contract is the MCCATS. MCCATS stands for Montgomery County Consulting and Technical Services, which are sets of processes and procedures for Montgomery County, Maryland through the Department of Technology Services (DTS) to procure IT consulting and technical services for the County on an as needed basis. This helps ensure a quick procurement process using a pre-qualified list of 10 vendors. There is an 8-11 day turnaround with \$20 million in MCAT contracts annually.
- LCATS for local businesses forthcoming – 27 businesses applied for IT work
- With Office of Procurement contract processing time can take anywhere from 8-12 months
- Risk mitigated by doing vendor qualifications up front
- Growing local businesses is a benefit to the County, want to have LSBRPs in the pre-qualified pool

- Understaffing of procurement office an issue; need to re-engineer the procurement process to be more agile
- Procurement is down 33% of manpower, it took around 6 years to fully train Procurement Specialist and now the department has only been hiring interns, which hasn't helped retention
- Only the Procurement Office can issue purchase orders, which has been taking 30-40 days. Procurement process can be improved by not limiting the requisition of purchase orders to the procurement office – give more local authority to the using departments
- In DTS there used to be 4 contract administrator, but there is now only Mr. Osborne
- Compliance programs and legislation on procurement process are delaying the process. The regulations also increase overhead for contractors
- Use of an incremental contract (task-based) approach would help the process

Mr. Jeff Knutsen, DOT Highway Services Contract Administrator, said the County is responsible for maintaining over 5,000 miles of roadway. Work is weather-impacted – snow, paving, leaf removal. The department has around 105 contracts; with \$35 million in the Capital Improvements budget. There are 65 open solicitation contacts every two years and 40 IFBs annually (salt for roads, pipes, asphalt). There are 17 construction contracts. His office completes two informal solicitation each year. Mr. Knutsen also spoke to the following points:

- IFBs for construction can take around 6-7 months, while material procurements take around 3-4 months
- RFPs can take up to a year to complete
- Procurement has been very helpful with emergency weather event procurements
- Helping contractors maintain COI's has been an issue, but there is a new system in place to help track insurance expirations
- Contracts go through Office of Management and Budget (OMB) exemption process
- Departments are now doing Requests for Expressions of Interest, which can done in parallel with RFP process
- Processing time could be reduced by rating vendors in parallel with the RFP
- Procurement office is understaffed; unable to keep good, well-trained staff
- There are only 2 team leaders, which creates a delay in getting solicitations reviewed
- DOT has a lot of multi-vendor contracts; bond requirements must be met, specs are complicated; difficult to do bridge contracts with the State
- MFD requirements are reviewed to determine if appropriate for the type of solicitation; wage review adds time to process; review process take the most time
- Procurement staff should have two computer monitors to increase efficiency

IV. Future Meeting Planning

- Chair Robbins requested that the County Attorney's Office discuss its procurement process.
- The Task Force should focus on talking to businesses outside the County.

- Ms. Price noted that the Office of Procurement budget will be considered by the Council's Government Operation and Fiscal Policy (GO) Committee on April 28 at 2:00 p.m.

The meeting adjourned at 5:39 p.m.
