

Worksession

MEMORANDUM

April 24, 2012

TO: Government Operations and Fiscal Policy Committee

FROM: Dr. Costis Toregas, Council IT Adviser

SUBJECT: FY13 proposed Operating Budget General Services: Procurement, Section 30 in the Executive's Recommended Budget

The following are expected to attend:

- David Dise, Director, General Services
- Pam Jones, Division Chief, Office of Procurement
- Rick Taylor, General Services
- Grace Denno, Manager, Office of Business Relations and Compliance
- Blaise DeFazio, Manager, Office of Management and Budget
- Bruce Meier, Sr. Management and Budget Specialist, Office of Management and Budget

The relevant pages from the recommended FY12 operating budget are attached on ©1-10, with the budget figures primarily represented in ©2, 3 and 8.

Summary of Staff Recommendations

1. **Accept** the Executive's recommended FY13 Office of Procurement budget of \$2,322,982, effectively increasing the budget from FY12 levels by \$90,702.
2. **Accept** the Executive's recommended FY13 Office of Business Relations and Compliance budget of \$405,809, effectively increasing the budget from FY12 levels by \$3,139.

Overview

This packet covers two elements of the Department of General Services: the Office of Procurement and the Office of Business Relations and Compliance. Together, they represent 8.2% of the overall budget for the Department of General Services. The following table presents the recommendations of the proposed FY13 Operating Budget for these two offices.

			Change from FY12 Approved Budget to FY13 Recommended Budget	
	FY12 Budget	FY13 CE Recommended	Amount	%
Procurement expenditures	\$2,232,280	\$2,322,982	-\$90,702	+4.06
Business Relations and Compliance expenditures	\$402,670	\$405,809	\$3,139	+0.8%
Procurement FTEs	26.3	27.3	+1.0	+3.8%
Business Relations and Compliance FTEs	3.2	3.2	0	0%

Performance metrics

Both offices have metrics tracked in the recommended budget; these metrics, their FY11 actual, estimated FY12, and target FY13 levels are summarized below.

	Metric	Actual FY11	Estimated FY12	Target FY13
Procurement	% procurements completed in agreed time	78.3%	78.3%	78.3%
Business Relations and Compliance 1	% contract \$s awarded to MFD firms	15.6%	21.0%	21.0%
Business Relations and Compliance 2	Value of contracts awarded to LSBs	\$13m	\$20m	\$20m

The Office of Business Relations and Compliance and the Office of Procurement underwent a recent review by the CountyStat office on January 20, 2012, as part of an overall DGS review. Relevant pages from the report are on ©11-17, showing far more detailed performance metrics for the two offices.

Additional items of interest

Council staff raised a number of issues upon review of the budget information proposed by the Executive. The questions, responses from the Department of General Services (italicized) and, where appropriate, Council staff comment on the responses are provided.

1. What is the volume of procurements (# of continuations, new contracts) and their corresponding volume? Are there trends you'd like to identify for the Committee?

Volume of Procurement was \$914 million in FY11, compared to \$748 million in FY10. Actions are impacted by dollar threshold changes; however, increased efficiency allows specialists to offer more value on high dollar and complex actions. Specialists are providing more hands-on assistance,

consultation services, and training for new contract administrators and departments struggling with multiple priorities. Details are available online via:

<http://www.montgomerycountymd.gov/mcgtmpl.asp?url=/content/DGS/pro/forms.asp>

Council Staff comment

The procurement volume increased by 22.2%, but the staffing remained the same, and percent of procurement completed in agreed-upon time rose by 2% (see ©14). This is a strong result and shows a department hard at work, using new tools and leveraging resources to the maximum.

In addition, the Office of Procurement, as well as the Office of Business Relations and Compliance, provided procurement training to a variety of organizations in order to improve the procurement function across the County. This training included:

In addition to the information provided above, the Office of Procurement and Office of Business Relations and Compliance have both conducted internal and external training and outreach as summarized below:

Office of Business Relations and Compliance

- Nov 18, 2011 - “Meet and Greet” Networking Sessions for local companies marketing “Green” products and services: introduced 4 companies to County Contract Administrators from DOT, DEP, DGS, and other county agencies.
- Feb 16, 2012 - OBRC general outreach event 1 -- MC's LSBRP Program
- Mar 16, 2012 - OBRC general outreach event 2 – “How to write a good proposal”
- Mar 27, 2012 - MFD Application Assistance Workshop (joint effort with DED and the African American Chamber)
- April 24, 2012- OBRC general outreach event 3 -- MC's MFD Program

Office of Procurement

- Recreation Customized Training: Due to Recreation reduction in staff and loss of experienced contracting staff, developed Recreation procurement training guide. Procurement Specialist is in process of setting dates with Recreation staff for training.
- Worked with HHS on several initiatives including grants contract payment structure, training gaps, delivery order and change order process efficiencies.
- Working with departments to review and revise old scope and specifications to align with current market and needs.
- Contract Administrator Forums (purpose to develop knowledgeable CAs better versed in stages of the procurement process, regulatory requirements, and roles/responsibilities):
 - September 2011, Scope and Specification Writing
 - February 2012, Negotiations
 - April 2012, Sustainable Purchasing - Green Toolkit
- The Contract Administrator Forum series was a new initiative for FY11 that has already shown great promise and received very positive feedback. CAs throughout the County are exposed to regular training, provided networking opportunities and given exposure to best practices, tools and tips used by other County departments.

2. The procurement element of ERP has now been operational for some time. What is the Department's experience with it? Are there new procedures now made possible because of ERP? Do you see any

changes in the speed of handling contracts? Are there things that you can now do differently or with different staffing combinations (numbers of positions, experience needed, etc)?

The Procurement Module was implemented successfully. To facilitate implementation, the Office of Procurement developed a series of troubleshooting “Tips and Techniques” to help procurement staff and heavy users of the procurement module to over problem areas as they were encountered. This proved to be a good model for users implementing other modules.

There have been some challenges as impacts from other modules may impact the Procurement module and with any new system not all the results may be known. However, Procurement worked proactively with ERP to ensure impacts are understood, changes in processes can be considered timely, and communications can be sent to departmental staff to provide guidance.

There are positive features used such as Agreement (Contract) controls for contract value, security of Oracle roles/responsibilities and dollar limits, etc. There is a significant investment in assisting departments with understanding and walking them through the steps. Guidance has been developed, distributed and posted on the Procurement Intranet site as we learn of beneficial Q&A, in addition to what ERP may send out.

From the Office of Business Relations and Compliance (OBRC), staff worked with ERP team to add fields on vendor data to pull more information from the Central Vendor Registration System (CVRS) such as MFD certification numbers, expiration dates, LSBRP status, etc. The current task is to build an interface between ERP and PRISM, a third party software designed to provide subcontractor input on contracts, OBRC staff can monitor and track payments to sub-contractors more closely.

Council Staff comment

The major investment made in ERP is seen to be paying off benefits in this department. Not only have they absorbed a 22.2% increase in work volume with no additional staff, but they have found improvements in process to go further. From the third paragraph of the DGS response, there are three specific benefits (called “positive features” by DGS) identified:

- Agreement (Contract) controls for contract value,
- security of Oracle roles/responsibilities, and
- dollar limits.

Each of these features is enabling more productivity and allowing for self-help situations at the user department level. If the Committee has time, ***exploring how these three features are changing the daily procurement process (for the better)*** could be a productive investment of time.

3. The Combined Vendor Registration System has been in existence for some time. Has MCG appreciated benefits due to the collaborative, single registration coming from vendors of other agencies? Are any improvements or changes needed where the Committee and Council can help with their communication influence with other agencies?

DGS has received good feedback from vendors and other agencies on the CVRS. We now have 12,581 vendors registered since the system went to production in Jan, 2008. This includes over 1,000 local small businesses and over 960 minority-owned businesses. Improvements have been made

since ERP was implemented. The project team received a NACo award for this project last year. Besides MCG, currently MCPS, College and HOC are using CVRS. MCPS has recently requested minor improvements to facilitate its use.

The CVRS website averages 200,000 hits per month resulting in over 32,000 system generated e-mails each month responding to business inquiries and approximately 1,500 monthly help desk follow-ups with interested businesses. In recent months there has been a noted increase in vendor use of portable devices (Android, I-Phone, Blackberry) accessing CVRS. We are considering the creation of a CVRS application for portable devices.

Council Staff comment

The web-based CVRS funded through the ITPCC process went live only in 2011. The CVRS described here has been in existence since 2008. Could this discrepancy be explained?

The notion of a CVRS “app” is a good direction, opening up the process even more to multiple platforms of technology and should be encouraged. It is not clear what will help the “consideration” of such a development to become reality.

4. The IPCC’s FY13 work program and the MCG component are not yet visible to the Committee. Anything to report?

Several cooperative procurements among IPCC members were issued in FY12, including health insurance and road salt. Cross-training events including staff from each county agency comprising IPCC covered subjects such as strategic sourcing and cost and price analysis. The Council usually has a separate meeting for IPCC where a summary of prior plan and upcoming plan are presented. It would be best to address that so all IPCC agencies can participate and weigh in.

5. The Record of Procurements is a useful document, with all data moved to the web. Will the data be in an open source format so that web designers and application developers from the outside will be able to use that data?

The Procurement annual report is the “Record of Procurements” and is available online as noted above. For security purposes the raw data is not made available. The Contract Register, also a NACo awardee, is an online search engine open to the public providing access to all active contracts. Using the Register, interested parties can access headliner information about contracts (contact names, contractor, description, etc.) and also download contract documents such as the solicitations, amendments, and pricing sheets. Winning proposals received in response to RFPs are posted as resources permit.

The Contract Register can be found at: www.montgomerycountymd.gov/contractregister.

Council Staff comment

The raw data from the Record of Procurements is not made available for “security reasons”. These reasons should be detailed and understood, as the trend is to make procurement data truly data by making them usable to external apps. Read-only files present known security problems with robust

solutions. Unless a strong reason is presented, *the practice of denying access to the raw data on procurements should be discontinued* as soon as practical.

6. Please describe the reason for adding the ERP detailee back into the Department's work complement when all departments were allowed to backfill the ERP detail positions.

The incumbent in this position (John Lee, M2) was detailed to the ERP project in FY10. This position was filled with an Acting Operations Manager (normally a Senior Procurement Specialist); however, the resulting temporary Senior Procurement Specialist vacancy could not be under-filled because of economic difficulties in FY10, FY11 and FY12. Mr. Lee is scheduled to return to the Office of Procurement in FY13 with the position fully funded.

The operational needs of the Office of Procurement require Mr. Lee returning to the Office to provide leadership and oversight. He will continue to support procurement aspects of ERP development but these have diminished significantly over the past year and are not expected to increase with the next phases of implementation.

7. For BRC, please give an indication of the volume of business that actually was awarded to small businesses in FY11 and estimated in FY12. The \$47,000,000 seems to be a repeating estimate in page 30-3 of the budget and Staff questions its validity.

The value of contracts awarded to local small businesses in FY11 was \$58,178,516 (including multi-year awards). This figure represents 36.5% of eligible contracts awarded in FY11. Actual funds expended with local small businesses in FY11 was \$46,929,791. As has been reflected in gross contract spending over the past few years (with the exception of a few major capital projects), spending has been level and is expected to remain so for the immediate future.

Council Staff comment

The FY11 estimate for \$47,000,000 was not questioned. It is the use of this number for targets in FY12, FY13, and FY14 that the question addresses. Since the Actual FY10 number for LSB awards was \$13,021,570, and it rose to \$46, 929,791 in the past year, how can it be a reliable estimate that the number will be IDENTICAL in FY12-FY14 (especially in a Department that experienced a 22.2% growth in volume in FY12)? The question still stands, and more information should be provided on both the estimating process (and its relation to policy for LSB procurements), as well as the numbers used for budgeting purposes in the Program Performance Measures.

8. Please provide information on the LSBRP annual report and statistics that might be useful from the recent County Stat report.

*The LSBRP annual report is available online at:
<http://montgomerycountymd.gov/content/DGS/Dir/OBRC/lbrp/Documents/FY11.pdf>.*

Council Staff comment

The CountyStat report components related to the two Offices is already provided as ©11-17.

General Services

MISSION STATEMENT

The Department of General Services proactively serves the diverse business and service requirements of all County departments, providing a single point of government-to-government service, enabling departments to successfully complete their respective missions and, thereby, adding value to the services performed by Montgomery County to county residents. In so doing, the Department of General Services contributes directly towards the County Executive's objectives of "A Responsive and Accountable County Government", "Healthy and Sustainable Neighborhoods", and "A Strong and Vibrant Economy."

BUDGET OVERVIEW

The total recommended FY13 Operating Budget for the Department of General Services is \$33,232,539, an increase of \$3,694,239 or 12.5 percent from the FY12 Approved Budget of \$29,538,300. Personnel Costs comprise 48.5 percent of the budget for 246 full-time positions and seven part-time positions for 183.58 FTEs. Operating Expenses and Capital Outlay account for the remaining 51.5 percent of the FY13 budget.

In addition, this department's Capital Improvements Program (CIP) requires Current Revenue funding.

LINKAGE TO COUNTY RESULT AREAS

While this program area supports all eight of the County Result Areas, the following are emphasized:

- ❖ ***A Responsive, Accountable County Government***
- ❖ ***Healthy and Sustainable Neighborhoods***
- ❖ ***Strong and Vibrant Economy***

DEPARTMENT PERFORMANCE MEASURES

Performance measures for this department are included below, with multi-program measures displayed at the front of this section and program-specific measures shown with the relevant program. The FY12 estimates reflect funding based on the FY12 approved budget. The FY13 and FY14 figures are performance targets based on the FY13 recommended budget and funding for comparable service levels in FY14.

ACCOMPLISHMENTS AND INITIATIVES

- ❖ ***Increased cleaning of County facilities.***
- ❖ ***Increased customer service satisfaction based on survey in FY11. Additionally, Procurement is reaching out to departments in holding contract training sessions.***
- ❖ ***Increased percent of contract dollars awarded to Minority/Female/Disabled (MFD) and Local Small Business Reserve Programs (LBSRP), even though the total value of contracts declined.***
- ❖ ***Productivity Improvements***
 - ***Renegotiated several leases, lowering both total and square footage cost.***
 - ***Improved communication between CIP managers and project managers by holding bi-weekly meetings, resulting in better adherence to project time lines.***
 - ***Better internal communication within the Divisions. As a result, 90 percent of DGS contracts are being renewed in a timely manner.***
 - ***We are continuing to digitize the work processes saving paper, filing space and staff time.***

PROGRAM CONTACTS

Contact Annette Cheng of the Department of General Services at 240.777.6121 or Bruce R. Meier of the Office of Management and Budget at 240.777.2785 for more information regarding this department's operating budget.

PROGRAM DESCRIPTIONS

Office of Procurement

The mission of the Office of Procurement is to preserve the public trust and ensure the integrity of the public procurement process through the efficient, effective, and economical procurement of goods, services, and construction in accordance with nationally recognized best practices; resulting in the highest value for County government and its residents.

The core components of this program are to purchase goods, services, and construction required by County departments in the most timely and cost-effective manner possible. Program staff assists departments in the development of procurement strategies and documents to ensure a competitive and fair procurement process in accordance with the County Code and the Procurement Regulations. Program staff also helps vendors understand the County's procurement process and procedures.

Procurement staff also provides County departments with training, assistance and guidance of department contract administrators. Further, Procurement works collaboratively with the Office of Business Relations and Compliance, the Office of Partnerships and other departments to build relationships with and provide training to businesses and non-profits interested in doing business with Montgomery County. Procurement Specialists develop contract administration procedures and research, review, and recommend revisions to County procurement policies and regulations to streamline the procurement process. In addition, testimony and other evidence regarding claims and contract disputes with contractors are reviewed to resolve issues.

Program Performance Measures	Actual FY10	Actual FY11	Estimated FY12	Target FY13	Target FY14
Percent of Procurements Completed in Agreed Upon Time ¹	75	78.3	78.3	78.3	78.3

¹ These figures represent the average for the following: Invitation For Bid - 73%; Request For Proposals - 72%; and Construction: 90% for FY11, FY12 and FY13.

FY13 Recommended Changes	Expenditures	FTEs
FY12 Approved	2,232,280	26.30
Shift: Restoration of One-Time Reduction Approved in FY12 (Enterprise Resource Planning Detail Return)	103,280	1.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	-12,578	0.00
FY13 CE Recommended	2,322,982	27.30

Office of Business Relations and Compliance

The mission of the Office of Business Relations and Compliance (OBRC) is to plan and implement programmatic strategies to expand business opportunities for Minority, Female and Disabled Persons business owners and small businesses in Montgomery County. The office administers the County's Living and Prevailing Wage programs for service and construction contracts. The OBRC is solely responsible for ensuring the socio-economic programs of the County are compliant with applicable laws.

Minority, Female and Disadvantage Persons (MFD)

The MFD program objectives focus on annual goals of awarding a designated percentage of the total dollar value of negotiated contracts over \$50,000 to certified minority, female, or disabled-owned businesses by procurement source. In addition, the program identifies MFD firms; encourages and coordinates their participation in the procurement process through community outreach and internal seminars; and monitors contracts subject to MFD participation to ensure compliance.

Local Small Business Reserve Program (LSBRP)

The mission of the Local Small Business Reserve Program is to ensure that County departments award a minimum of 10 percent of total contract dollars issued for goods, services or construction to registered local small businesses. The program assists County departments to identify contracting opportunities and solicitations appropriate for LSBRP competition. The program provides training and networking to help local small businesses compete with businesses of similar size and resources for County contracts strengthening in the local small business sector.

Living Wage

The mission of the Living Wage program is to ensure that County contractors and subcontractors pay employees, at a minimum, a "living wage" in compliance with the annually adjusted rate established by the Montgomery County Wage Requirements Law on qualifying contracts.

Prevailing Wage

The mission of the Prevailing Wage program is to ensure that contractors and subcontractors pay prevailing wages, as established by the Maryland State Commissioner of Labor and Industry for the Montgomery County region, to workers on certain construction projects awarded by the County.

Program Performance Measures	Actual FY10	Actual FY11	Estimated FY12	Target FY13	Target FY14
Percent of Contract Dollars Awarded to Minority/Female/Disabled owned businesses	15.6	19.0	18.0	18.0	18.0
Value of County contracts awarded to local small businesses (\$000)	13,021,570	47,000,000	47,000,000	47,000,000	47,000,000

FY13 Recommended Changes	Expenditures	FTEs
FY12 Approved	402,670	3.20
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	3,139	0.00
FY13 CE Recommended	405,809	3.20

Automation

The Automation Program provides staffing, material, and support to develop and maintain information systems in support of the Department's business operations. This includes purchase and maintenance of Information Technology (IT) equipment, service and support for major end use systems on a County-wide basis. IT management of system and website design and maintenance is included in this program as well as coordination with the County Department of Technology Services.

FY13 Recommended Changes	Expenditures	FTEs
FY12 Approved	511,270	5.00
FY13 CE Recommended	511,270	5.00

Division of Facilities Management

The Division of Facilities Management's mission is to provide for the comprehensive planning and delivery of maintenance services and oversight of building-related operations at County facilities used by County staff and residents. Components of these programs are routine, preventive, correctional and conditional maintenance; housekeeping; grounds maintenance; recycling; building structure and envelope maintenance; electrical/mechanical systems operations and maintenance; small to mid-sized remodeling projects; snow removal, and damage repair from snow, wind, rain, and storm events; and customer service. The energy management program provides technicians to monitor and maintain heating and cooling systems to ensure the most efficient use of these services. In addition, Facilities Management manages several comprehensive Capital Improvements Program (CIP) projects aimed at sustaining efficient and reliable facility operation to protect and extend the life of the County's investment in facilities and equipment.

Program Performance Measures	Actual FY10	Actual FY11	Estimated FY12	Target FY13	Target FY14
Condition of Non-critical Building Systems and Aesthetics ¹	3,500,000	3,700,000	3,000,000	3,000,000	3,000,000
Hours Offline for Critical Building Systems ²	78	169	194	194	194

¹ This dollar figure represents custodial and grounds maintenance on all County properties. No cosmetic upgrades (painting, carpet replacement, furniture/equipment replacement) were completed for FY11 and FY12.

² In FY10, 78 hours were recorded for utility (PEPCO) electrical outages on various properties. There were no outages reported that were caused by in-house utility failure. To date, 194 hours of PEPCO power outages have been reported, none is caused by in-house power failure.

FY13 Recommended Changes	Expenditures	FTEs
FY12 Approved	15,885,600	92.00
Enhance: Cleaning & Maintenance	1,000,000	3.00
Increase Cost: Operating Budget Impact of the Public Safety Headquarters Building at Edison Park	696,670	0.00
Increase Cost: Operating Budget Impact of Grey Courthouse	350,000	0.00
Increase Cost: Contract Inflation	236,480	0.00
Shift: Manager III Position in Facilities to CIP funds	-45,000	-0.50
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	913,098	0.98
FY13 CE Recommended	19,036,848	95.48

Environmental Stewardship

This newly developed program focuses on maintaining Montgomery County's leadership in environmentally sensitive maintenance, construction, and operation of County facilities. In this role, the program will develop and oversee the energy and facility environmental programs; monitor new and renovated building systems to ensure proper functioning; obtain necessary permits where applicable and ensure compliance with the terms of the permits; perform building systems diagnostics to analyze failures and recommend and coordinate corrective measures implementation; conduct facility assessments of building conditions and retrofit buildings where appropriate, evaluate maintenance standards; and investigate indoor air quality complaints. This program also oversees the utilities management function and implements strategies to maximize cost savings and reduce energy use from utility deregulation throughout the County. In addition this program provides and coordinates the required maintenance of the County's Stormwater Management facilities.

Program Performance Measures	Actual FY10	Actual FY11	Estimated FY12	Target FY13	Target FY14
Environmental Stewardship: Carbon Footprint of Montgomery County Government (in metric ton carbon dioxide equivalents)	140,658	139,689	139,587	139,525	138,425

FY13 Recommended Changes	Expenditures	FTEs
FY12 Approved	8,960	0.30
FY13 CE Recommended	8,960	0.30

Central Duplicating, Imaging, Archiving & Mail Svcs.

This program provides timely and efficient document management through: high-speed photocopying service to all County agencies; desktop and electronic publishing; high-speed color copying; bindery; digital imaging; and electronic and physical archiving of County records. This program also serves as point of contact for County printing material produced and completed by Montgomery County Public Schools (MCPS). A print shop consolidation took effect in FY00 in which all County offset printing is provided by MCPS. This program also provides for the daily receipt, sorting, and distribution of mail deliveries from the U.S. Postal Service and inter-office mail to County agencies.

FY13 Recommended Changes	Expenditures	FTEs
FY12 Approved	8,184,150	29.80
Increase Cost: Additional Scanners	194,000	0.00
Increase Cost: Record Management Contractor	120,000	0.00
Increase Cost: Lump Sum Wage Adjustment	56,193	0.00
Increase Cost: Server and Storage	50,000	0.00
Increase Cost: Warehouse Worker to do reporting to State of Records Management	50,000	1.00
Increase Cost: Group Insurance Adjustment	43,412	0.00
Increase Cost: Annualization of Edison Park Mail Room	26,310	0.00
Increase Cost: Retirement Adjustment	26,041	0.00
Increase Cost: Replacement of Printing, Mail and Imaging Equipment per Schedule	4,000	0.00
Increase Cost: Motor Pool Rate Adjustment	2,710	0.00
Increase Cost: Longevity Adjustment	1,720	0.00
Decrease Cost: Retiree Health Insurance Pre-Funding	-14,800	0.00
Decrease Cost: Elimination of Master Lease Payments	-240,320	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	0	0.10
FY13 CE Recommended	8,503,416	30.90

Real Estate Program

This program provides for leasing, site acquisition/disposition, space management and site evaluation. The leasing function recommends, plans, coordinates, implements, and administers the leasing of real property for both revenue and expense leases, including closed school facilities at the best economic and operational value to the County. Site acquisition/disposition is the purchase of property for County use and disposition is the sale or lease of surplus property. The space management function provides for the efficient and aesthetic utilization of space in County-owned and leased facilities. The site evaluation function provides technical support to site evaluation committees for Capital Improvements Program (CIP) projects.

Program Performance Measures	Actual FY10	Actual FY11	Estimated FY12	Target FY13	Target FY14
County Rent vs. Average Market Rent for Leased Space ¹	29.26	22.18	22.93	23.71	24.52

¹ In FY11 the Market Rent for space was \$29.26, per square foot. The savings on the rent paid by the County versus the Average Market Rent for leased space is \$7.08, per square foot.

FY13 Recommended Changes	Expenditures	FTEs
FY12 Approved	910,570	7.10
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	21,158	-0.10
FY13 CE Recommended	931,728	7.00

Building Design and Construction

This program provides for the overall management of the Department's facility Capital Improvements Program (CIP). This program includes the comprehensive, timely, economic and environmentally efficient planning, designing and construction of buildings for County use as well as public venues owned by the County. This program also provides comprehensive architectural and engineering services from planning through design. Functional elements include programming, contract administration, planning management, design management, and project management. The planning, design, and construction of facilities is accomplished in accordance with LEED Silver standards as required by County regulation, and following best practices in project design and construction estimating, and the timely delivery of facilities based on project schedules developed for and published in the County CIP. This program is fully charged to the CIP.

Program Performance Measures	Actual FY10	Actual FY11	Estimated FY12	Target FY13	Target FY14
Percent of Projects Meeting Initial Design and Construction Costs	98	90	90	90	90
Percent of Projects Meeting Initial Design and Construction Timeline	57	53	55	55	55

FY13 Recommended Changes	Expenditures	FTEs
FY12 Approved	0	0.00
FY13 CE Recommended	0	0.00

Administration

Administration services in the Department are provided in three key areas:

- The Director's Office provides overall leadership for the Department, including policy development, planning, accountability, service integration, customer service, the formation of partnerships and the oversight of socio-economic programs which include the Business Relations and Compliance Program. The Director's Office also handles administration of the day-to-day operations of the Department, including direct service delivery, operating and capital budget preparation and administration, training, contract management logistics, and facilities support and human resources.
- The County Executive's Strategic Growth Initiative and other key strategic capital initiatives are also directed through the Office of Planning and Development in the Director's office.
- The Division of Real Estate and Management Services provides oversight and direction of the preparation and monitoring of the Operating and Capital Improvements Program (CIP) budgets for the department; fuel management; payment processing; Invitations for Bid (IFB), Requests for Proposal (RFP) and contracts; inventory and facility management; the management and administration of computer and office automation activities; oversight of all personnel activities of the Department of General Services; Strategic Planning for the Director; and oversight and management for increasing access to County facilities for residents and employees with disabilities.

Program Performance Measures	Actual FY10	Actual FY11	Estimated FY12	Target FY13	Target FY14
Customer Service: DGS Function Average ¹	3.14	2.78	3.00	3.00	3.00

¹ Represents an average of Building Services, Capital Development Needs, Fleet Services, Leased Space Needs, Print/Mail/Archives Services, and Procurement Services average ratings. (Scale: 1 to 4, 1 = poor, 4 = good).

FY13 Recommended Changes	Expenditures	FTEs
FY12 Approved	1,402,800	14.40
Increase Cost: Restore Redevelopment Deputy Director Position	150,000	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	-41,274	0.00
FY13 CE Recommended	1,511,526	14.40

BUDGET SUMMARY

	Actual FY11	Budget FY12	Estimated FY12	Recommended FY13	% Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	10,653,410	9,199,490	8,860,996	9,750,358	6.0%
Employee Benefits	3,964,995	3,150,110	3,781,173	3,870,885	22.9%
County General Fund Personnel Costs	14,618,405	12,349,600	12,642,169	13,621,243	10.3%
Operating Expenses	13,314,648	9,004,550	8,958,324	11,107,880	23.4%
Debt Service Other	25	0	0	0	---
Capital Outlay	0	0	0	0	---
County General Fund Expenditures	27,933,078	21,354,150	21,600,493	24,729,123	15.8%
PERSONNEL					
Full-Time	213	211	211	216	2.4%
Part-Time	6	6	6	6	---
FTEs	150.40	148.30	148.30	152.68	3.0%
REVENUES					
Miscellaneous Revenues	100,418	0	99,430	100,420	---
Other Charges/Fees	6,293	13,040	13,040	13,040	---
County General Fund Revenues	106,711	13,040	112,470	113,460	770.1%
PRINTING AND MAIL INTERNAL SERVICE FUND					
EXPENDITURES					
Salaries and Wages	1,608,550	1,698,220	1,697,173	1,791,211	5.5%
Employee Benefits	617,330	618,270	651,856	702,645	13.6%
Printing and Mail Internal Service Fund Personnel Costs	2,225,880	2,316,490	2,349,029	2,493,856	7.7%
Operating Expenses	4,738,265	5,549,820	5,866,016	5,691,720	2.6%
Debt Service Other	158,815	0	0	0	---
Capital Outlay	0	317,840	0	317,840	---
Printing and Mail Internal Service Fund Expenditures	7,122,960	8,184,150	8,215,045	8,503,416	3.9%
PERSONNEL					
Full-Time	30	29	29	30	3.4%
Part-Time	0	1	1	1	---
FTEs	29.30	29.80	29.80	30.90	3.7%
REVENUES					
Imaging/Archiving Revenues	1,079,710	0	0	0	---
Investment Income	0	0	0	2,490	---
Mail Revenues	1,564,116	2,345,690	2,345,690	2,345,690	---
Print Revenues	4,913,579	3,438,840	3,438,840	3,187,805	-7.3%
Other Charges/Fees	0	2,683,080	2,683,080	2,683,080	---
Printing and Mail Internal Service Fund Revenues	7,557,405	8,467,610	8,467,610	8,219,065	-2.9%
DEPARTMENT TOTALS					
Total Expenditures	35,056,038	29,538,300	29,815,538	33,232,539	12.5%
Total Full-Time Positions	243	240	240	246	2.5%
Total Part-Time Positions	6	7	7	7	---
Total FTEs	179.70	178.10	178.10	183.58	3.1%
Total Revenues	7,664,116	8,480,650	8,580,080	8,332,525	-1.7%

FY13 RECOMMENDED CHANGES

	Expenditures	FTEs
COUNTY GENERAL FUND		
FY12 ORIGINAL APPROPRIATION	21,354,150	148.30
<u>Changes (with service impacts)</u>		
Enhance: Cleaning & Maintenance [Division of Facilities Management]	1,000,000	3.00
<u>Other Adjustments (with no service impacts)</u>		
Increase Cost: Operating Budget Impact of the Public Safety Headquarters Building at Edison Park [Division of Facilities Management]	696,670	0.00
Increase Cost: Operating Budget Impact of Grey Courthouse [Division of Facilities Management]	350,000	0.00
Increase Cost: Group Insurance Adjustment	313,322	0.00
Increase Cost: Lump Sum Wage Adjustment	309,729	0.00
Increase Cost: Contract Inflation [Division of Facilities Management]	236,480	0.00
Increase Cost: Retirement Adjustment	186,338	0.00
Increase Cost: Restore Redevelopment Deputy Director Position [Administration]	150,000	0.00
Shift: Restoration of One-Time Reduction Approved in FY12 (Enterprise Resource Planning Detail Return) [Office of Procurement]	103,280	1.00
Increase Cost: Motor Pool Rate Adjustment	68,510	0.00
Increase Cost: Longevity Adjustment	10,844	0.00
Technical Adj: Conversion of WYs to FTEs in the New Hyperion Budgeting System; FTEs are No Longer Measured for Overtime and Lapse	0	0.88
Decrease Cost: Printing and Mail Adjustment	-2,070	0.00
Shift: Help Desk - Desk Side Support to the Desktop Computer Modernization NDA	-3,130	0.00
Shift: Manager III Position in Facilities to CIP funds [Division of Facilities Management]	-45,000	-0.50
FY13 RECOMMENDED:	24,729,123	152.68
PRINTING AND MAIL INTERNAL SERVICE FUND		
FY12 ORIGINAL APPROPRIATION	8,184,150	29.80
<u>Other Adjustments (with no service impacts)</u>		
Increase Cost: Additional Scanners [Central Duplicating, Imaging, Archiving & Mail Svcs.]	194,000	0.00
Increase Cost: Record Management Contractor [Central Duplicating, Imaging, Archiving & Mail Svcs.]	120,000	0.00
Increase Cost: Lump Sum Wage Adjustment [Central Duplicating, Imaging, Archiving & Mail Svcs.]	56,193	0.00
Increase Cost: Server and Storage [Central Duplicating, Imaging, Archiving & Mail Svcs.]	50,000	0.00
Increase Cost: Warehouse Worker to do reporting to State of Records Management [Central Duplicating, Imaging, Archiving & Mail Svcs.]	50,000	1.00
Increase Cost: Group Insurance Adjustment [Central Duplicating, Imaging, Archiving & Mail Svcs.]	43,412	0.00
Increase Cost: Annualization of Edison Park Mail Room [Central Duplicating, Imaging, Archiving & Mail Svcs.]	26,310	0.00
Increase Cost: Retirement Adjustment [Central Duplicating, Imaging, Archiving & Mail Svcs.]	26,041	0.00
Increase Cost: Replacement of Printing, Mail and Imaging Equipment per Schedule [Central Duplicating, Imaging, Archiving & Mail Svcs.]	4,000	0.00
Increase Cost: Motor Pool Rate Adjustment [Central Duplicating, Imaging, Archiving & Mail Svcs.]	2,710	0.00
Increase Cost: Longevity Adjustment [Central Duplicating, Imaging, Archiving & Mail Svcs.]	1,720	0.00
Technical Adj: Conversion of WYs to FTEs in the New Hyperion Budgeting System; FTEs are No Longer Measured for Overtime and Lapse	0	0.10
Decrease Cost: Retiree Health Insurance Pre-Funding [Central Duplicating, Imaging, Archiving & Mail Svcs.]	-14,800	0.00
Decrease Cost: Elimination of Master Lease Payments [Central Duplicating, Imaging, Archiving & Mail Svcs.]	-240,320	0.00
FY13 RECOMMENDED:	8,503,416	30.90

PROGRAM SUMMARY

Program Name	FY12 Approved		FY13 Recommended	
	Expenditures	FTEs	Expenditures	FTEs
Office of Procurement	2,232,280	26.30	2,322,982	27.30
Office of Business Relations and Compliance	402,670	3.20	405,809	3.20
Automation	511,270	5.00	511,270	5.00
Division of Facilities Management	15,885,600	92.00	19,036,848	95.48
Environmental Stewardship	8,960	0.30	8,960	0.30
Central Duplicating, Imaging, Archiving & Mail Svcs.	8,184,150	29.80	8,503,416	30.90
Real Estate Program	910,570	7.10	931,728	7.00
Building Design and Construction	0	0.00	0	0.00
Administration	1,402,800	14.40	1,511,526	14.40
Total	29,538,300	178.10	33,232,539	183.58

CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY12		FY13	
		Total\$	FTEs	Total\$	FTEs
COUNTY GENERAL FUND					
CIP	CIP	7,324,310	54.00	7,325,175	57.92
Fleet Management Services	Motor Pool Internal Service Fund	625,496	3.80	625,496	3.80
Liquor Control	Liquor Control	344,032	0.50	344,032	0.50
Parking District Services	Bethesda Parking District	5,010	0.10	5,010	0.10
Parking District Services	Silver Spring Parking District	5,010	0.10	5,010	0.10
Transit Services	Mass Transit	10,020	0.10	10,020	0.10
Utilities	County General Fund	195,060	0.00	195,060	0.00
Total		8,508,938	58.60	8,509,803	62.52

FUTURE FISCAL IMPACTS

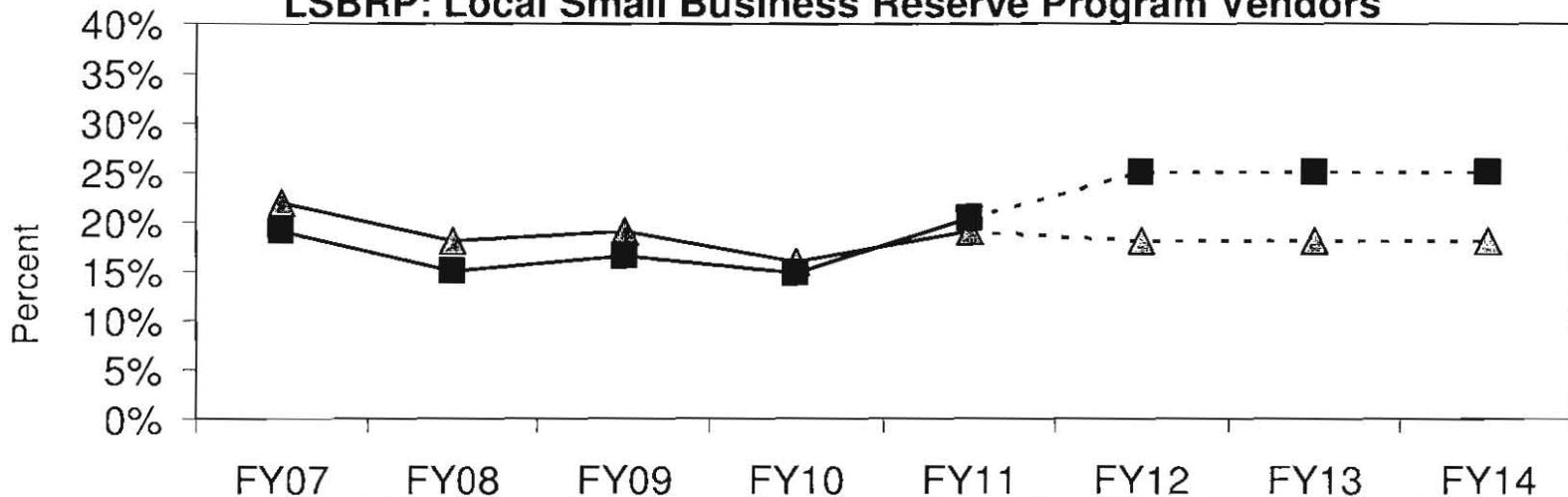
Title	CE REC.			(\$000's)		
	FY13	FY14	FY15	FY16	FY17	FY18
This table is intended to present significant future fiscal impacts of the department's programs.						
COUNTY GENERAL FUND						
Expenditures						
FY13 Recommended	24,729	24,729	24,729	24,729	24,729	24,729
No inflation or compensation change is included in outyear projections.						
Elimination of One-Time Lump Sum Wage Adjustment	0	-310	-310	-310	-310	-310
This represents the elimination of the one-time lump sum wage increases paid in FY13.						
Colesville Depot	0	0	54	93	93	93
These figures represent the impacts on the Operating Budget of projects included in the FY13-18 Recommended Capital Improvements Program.						
Elevator Modernization	0	-2	-6	-6	-6	-6
These figures represent the impacts on the Operating Budget of projects included in the FY13-18 Recommended Capital Improvements Program.						
Fuel Management	0	-55	-55	-55	-55	-55
These figures represent the impacts on the Operating Budget of projects included in the FY13-18 Recommended Capital Improvements Program.						
Germantown Transit Center Improvements	0	2	2	2	2	2
These figures represent the impacts on the Operating Budget of projects included in the FY13-18 Recommended Capital Improvements Program.						
HVAC/Elec Replacement: MCG	0	-52	-52	-52	-52	-52
These figures represent the impacts on the Operating Budget of projects included in the FY13-18 Recommended Capital Improvements Program.						
Life Safety Systems: MCG	0	-15	-15	-15	-15	-15
These figures represent the impacts on the Operating Budget of projects included in the FY13-18 Recommended Capital Improvements Program.						
Longevity Adjustment	0	3	3	3	3	3
This represents the annualization of longevity wage increments paid during FY13.						
MCPS & M-NCPPC Maintenance Facilities Relocation	0	0	0	0	0	1,633
These figures represent the impacts on the Operating Budget of projects included in the FY13-18 Recommended Capital Improvements Program.						
MCPS Food Distribution Facility Relocation	0	695	927	927	927	927
These figures represent the impacts on the Operating Budget of projects included in the FY13-18 Recommended Capital Improvements Program.						

Title	CE REC.					
	FY13	FY14	FY15	(\$000's)		
				FY16	FY17	FY18
Program.						
Subtotal Expenditures	24,729	24,995	25,277	25,316	25,316	26,949
PRINTING AND MAIL INTERNAL SERVICE FUND						
Expenditures						
FY13 Recommended	8,503	8,503	8,503	8,503	8,503	8,503
No inflation or compensation change is included in outyear projections.						
Elimination of One-Time Lump Sum Wage Adjustment	0	-56	-56	-56	-56	-56
This represents the elimination of the one-time lump sum wage increases paid in FY13.						
Retiree Health Insurance Pre-Funding	0	-30	-76	-79	-80	-80
These figures represent the estimated cost of the multi-year plan to pre-fund retiree health insurance costs for the County's workforce.						
Subtotal Expenditures	8,503	8,418	8,371	8,368	8,367	8,367

Headline Measure: Percent of Contract Dollars Awarded to MFD and LSBRP Vendors

MFD: Minority/Female/Disabled

LSBRP: Local Small Business Reserve Program Vendors



	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14
▲ MFD	22%	18%	19%	16%	19%	18%	18%	18%
■ LSBRP	19%	15%	17%	15%	20%	25%	25%	25%
LSBRP Spent Value	N/A	N/A	\$26.4 million	\$53 million	\$47 million	N/A	N/A	N/A

FY11 had increases in percent of contract dollars awarded to MFD and LSBRP, but dollar amount of spent in FY11 has declined from FY10 amounts.

LSBRP: In Montgomery County is for businesses with at most 50 employees and average gross receipts of at most \$14 million in the last three years.



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Performance Context: Percent of Contract Dollars Awarded to MFD and LSBRP Vendors Performance in Other Jurisdictions

Jurisdiction (Types of businesses included)	FY06	FY07	FY08	FY09	FY10	FY11 est	FY12 est
Fairfax County (Small and Minority Business)	46%	45%	46%	49%	49%	47%	47%
Prince George's County (Minority Business)	N/A	N/A	33%	38%	39%	40%	39%
Baltimore County (MBE/WBE Firms)	N/A	N/A	11%	13%	20%	15%	15%

- Prince George's County has a goal within its County Code of awarding at least 30% of contract dollars to minority- and female-owned businesses
- Baltimore County seeks to have an overall goal of 15% of the total dollars spent on discretionary procurements awarded to and/or performed by MBE and WBE firms.
- State of Virginia defines "small" as 250 or fewer employees, or average annual gross receipts of \$10 million or less averaged over the previous three years.



Sources: Respective County Budget Documents

Headline Measures: Percent of Contract Dollars Awarded to MFD and LSBRP Vendors

Departmental Explanation for FY11 Performance:

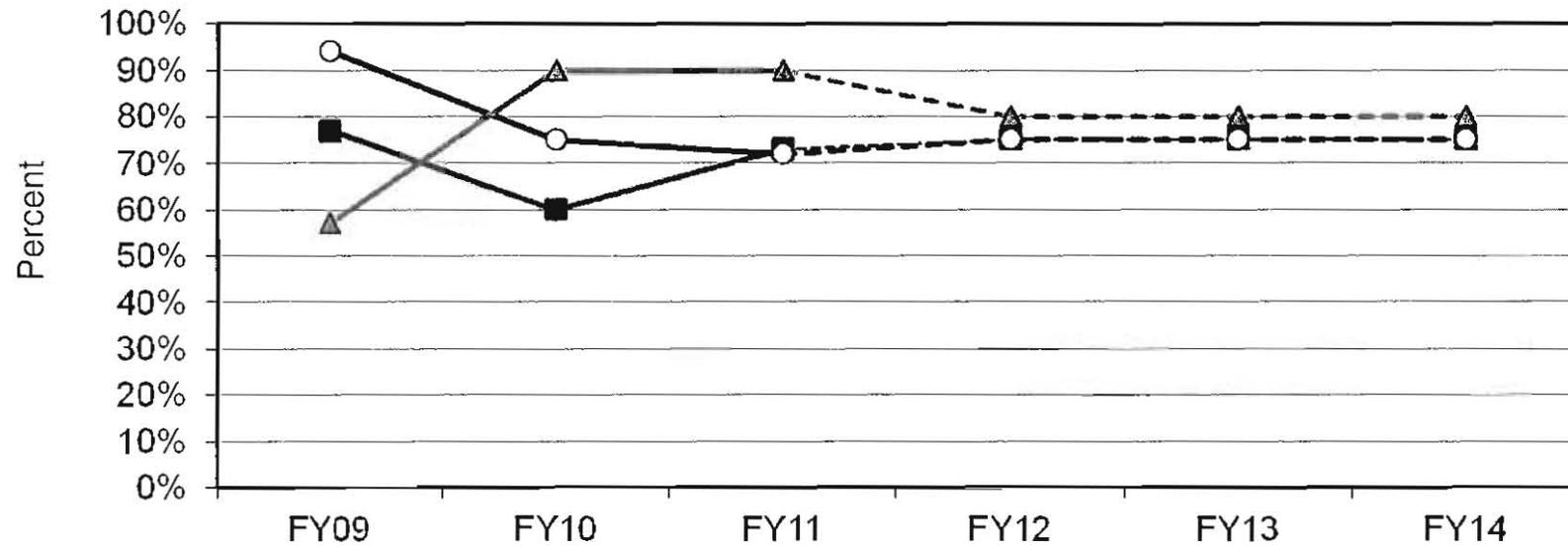
- MFD Contract Spending 19%, increased 3.5% from FY10
- LSBRP Contract Spending 20%, many construction projects which are exempted (over \$10 million) started in FY11. Despite that, LSBRP spending reached 20% for the first time.

Departmental Explanation for FY12-FY14 Projections:

- MFD may have some room to grow if we have an updated Disparity Study.
- LSBRP maintain current percentages, may still have slight room for growth.



Headline Measure: Percent of Procurements Completed in Agreed-Upon Time



		FY09*	FY10	FY11	FY12	FY13	FY14
■	IFB	77%	60%	73%	75%	75%	75%
○	RFP	94%	75%	72%	75%	75%	75%
▲	Construction	57%	90%	90%	80%	80%	80%

FY11 had improvement in IFB, steady performance for Construction, and slight decline in RFP.



* FY09 measurement began mid-year.

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Headline Measure: Percent of Procurements Completed in Agreed-Upon Time

Departmental Background on Procurement:

- As a follow-up to each solicitation issued that is part of this measure (RFP, IFB, Construction), the Office of Procurement sends an electronic survey to the using department upon contract execution, consisting of six questions and the timeline.
 - In FY11, the overall rating was a **3.5** on a scale of 1-4.
 - In FY11, enhancements were made to the survey process around March:
The surveys are now automatically sent by the tracking system upon completion of a contract execution, to ensure surveys are not missed and to increase the response rate since it is now automated and does not require buyer involvement in sending out.
 - In FY11, the survey response rate was **30%**
- The average days from solicitation package completion to contract execution for **Construction was 169 days, IFB was 135 days, and RFP was 210 days.** This equates to a **5.7** month average.
- Notes about FY11 reported values:
 - Measures shown are a consolidated percent for our four steps in the procurement process where Procurement has most responsibility:
 - Date solicitation is issued
 - Date bids/proposals forwarded to using department
 - Date recommended awardee is publicly posted
 - Date contract is executed
- Environmentally/Resource Friendly Improvements (Began mid-FY11)
 - Paper Savings: 12,886 sheets (online process for solicitation, amendment, and expiration notices)
 - Hours Savings: 919 hours
 - Cost Savings: \$1,300 in postage (solicitation notifications)



Performance Context: Procurement in Other Jurisdictions

Fairfax County	FY08	FY09	FY10	FY11	FY12 Est.
Processing Time in Days For RFP	N/A	198	172	200	165
Processing Time in Days For IFB	N/A	114	103	99	95

Loudoun County	FY08	FY09	FY10	FY11	FY12 Est.
Average number of weeks to process IFBs/RFPs	12	15	14	16	16
Days (Weeks converted)	84	105	98	112	112

Montgomery County	FY09	FY10	FY11	FY12 Est.
Average Processing Time in Days For RFP	N/A	187	210	N/A
Average Processing Time in Days For IFB	N/A	119	135	N/A



Source: Jurisdictions County Budget Books; FY11 from Procurement Officers

Headline Measures: Percent of Procurements Completed in Agreed-Upon Time

Departmental Explanation for FY11 Performance:

- Additional procurement staff training and development resulting in more experienced staff.
- Major legislative and process changes already developed at conclusion of FY10 so staff time re-focused on implementation, customer training, and availability.
- Major process change for RFPs and other legislative changes including LSBRP-related changes required re-training and learning curve for both procurement and departmental staff. (Legislative changes did not result in major procedural changes for IFBs).

Departmental Explanation for FY12-FY14 Projections:

- Contract Administrators still balancing/learning new technologies and legislative changes.
- Resource constraints countywide and loss of historical knowledge at Contract Administrator level.



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