



Procurement

Mission Statement

The Office of Procurement is a cabinet-level department with a mission to preserve the public trust and ensure the integrity of the County's procurement process through the efficiency and effectiveness of the procurement of goods, services, and construction for all Executive Branch departments and agencies. The Office of Procurement ensures compliance with all procurement-related laws, regulations, and policies. The Office of Procurement focuses on identifying opportunities for improvement of inter and intra departmental purchasing processes and implementation of recognized best practices to increase organizational efficacy, promote transparency, improve accountability and facilitate compliance. In its interactions with all County departments and agencies, external governmental agencies, members of the business community and the general public, the Office of Procurement serves as a resource for policy and program initiatives involving public contracting.

Budget Overview

The total approved FY17 Operating Budget for the Office of Procurement is \$4,484,357, an increase of \$302,608 or 7.24 percent from the FY16 Approved Budget of \$4,181,749. Personnel Costs comprise 90.27 percent of the budget for 35 full-time position(s) and two part-time position(s), and a total of 34.90 FTEs. Total FTEs may include seasonal or temporary positions and may also reflect workforce charged to or from other departments or funds. Operating Expenses account for the remaining 9.73 percent of the FY17 budget.

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**
- ◆ **Strong and Vibrant Economy**

Department Performance Measures

Performance measures for this department are included below (where applicable), with multi-program measures displayed at the front of this section and program-specific measures shown with the relevant program. The FY16 estimates reflect funding based on the FY16 approved budget. The FY17 and FY18 figures are performance targets based on the FY17 approved budget and funding for comparable service levels in FY18.

Initiatives

- ★ Procurement will assume responsibility for minority and small business outreach from the Department of Economic Development. Staff will liaise with various Chambers of Commerce, conduct outreach to minority owned businesses and local small businesses, attend conferences to publicize Procurement's outreach in the metropolitan area, report on new rules and legislation affecting local procurement operations implemented by the federal or state government and increase the number of minority, female, and disabled-owned businesses to register and respond to solicitations.
- ★ Implemented new legislative initiatives into the procurement process, such as Bill 14-14, Health Care.
- ★ Upgraded Procurement's internal workflow dashboard (online database application 2.0) to increase efficiency, reduce errors, and improve data search access and functionality.

Accomplishments

- ☑ Received the 2015 National Procurement Institute's Achievement of Excellence in Procurement award. This award is earned by organizations that demonstrate innovation, professionalism, productivity, e-procurement, and leadership attributes.

- ✓ Partnered with the Office of County Attorney to offer contract administration courses to explain the procurement process and regulatory compliance (each session had 70 attendees).
- ✓ Represented the County to promote environmentally preferable purchasing during Maryland Green Purchasing Legislative Day.
- ✓ Power Talk Presenter at the Department of Economic Development's Women's Power Conference, "What You Need to Know About the Procurement Process".
- ✓ Encumbered \$191 million to Minority, Female, and Disabled Owned Business Program vendors, 18.5% of eligible spending in FY15.
- ✓ Encumbered \$88.6 million to Local Small Business Reserve Program vendors, 23.9% of eligible spending in FY15.

Productivity Improvements

- ★ Reduced the average amount of time to get from Request for Proposal to contract execution from average of 9 months to 7 months.
- ★ Collaborated with Department of Economic Development and Business Relations and the Division of Business Relations and Compliance on additional vendor outreach and events.

Program Contacts

Contact Marsha Watkins Thomas of the Office of Procurement at 240-777-9954 or Erika Lopez-Finn of the Office of Management and Budget at 240.777.2771 for more information regarding this department's operating budget.

Program Descriptions

Procurement Operations

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 assist departments in the development of procurement strategies and documents to ensure a competitive, transparent, and fair procurement process in accordance with the County Code and the Procurement Regulations. Program staff also educate vendors about the County's procurement process and procedures.

Procurement staff also provides County departments with training, assistance and guidance of department contract administrators. Procurement works collaboratively with the Division of Business Relations and Compliance, the Office of Community Partnerships and other departments to build relationships 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.

Procurement staff participates with local, state, and national procurement purchasing associations to promote and teach continuing procurement education and learning credits; latest industry trends; latest source selection methods; and cooperative purchases. Also staff participates in and leads recognized professional purchasing organizations at the local, state, and national levels.

The information technology staff provides 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 applications, databases, systems, and department website design and maintenance is included in this program as well as coordination with the County Department of Technology Services.

Program Performance Measures	Actual FY14	Actual FY15	Estimated FY16	Target FY17	Target FY18
Percentage of procurements completed in agreed upon time ¹	84.0	82	79	80	81

¹ This figure represents the average for the following: Invitation For Bid - 71%; Request For Proposals - 77%; and Construction - 98% for FY15.

FY17 Approved Changes	Expenditures	FTEs
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FY17 Approved Changes	Expenditures	FTEs
FY16 Approved	3,049,029	23.40
Shift: Minority and Small Business Outreach from Department of Economic Development	255,109	1.00
Enhance: Administrative Specialist for Outreach and Technical Support	70,000	1.00
Reduce: Office Supplies	(10,000)	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.	(79,667)	0.00
FY17 Approved	3,284,471	25.40

Business Relations and Compliance

The mission of the Division of Business Relations and Compliance (DBRC) is to plan and implement programmatic strategies to expand business opportunities for minority, female and disabled business owners and Montgomery County small businesses. The office administers the County's Living and Prevailing Wage programs as well as the Domestic Partner Benefits Law for service and construction contracts. The DBRC is solely responsible for ensuring County government contracting compliance with the socioeconomic laws, programs, and policies of the County.

-Minority, Female and Disabled Persons (MFD): the MFD program objectives focus on ensuring that contracts awarded by Montgomery County include equitable participation by certified minority, female, or disabled-owned businesses. 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 Local Small Business Reserve Program ensures that County departments award a minimum of 20 percent of total eligible contract dollars issued for goods, services or construction to registered local small businesses. The program certifies local small businesses that meet the requirements set by law, assists County departments to identify contracting opportunities and solicitations appropriate for LSBRP competition, and provides training and networking to help local small businesses compete with businesses of similar size and resources for County contracts to strengthen the local small business sector.

-Living Wage: The Living Wage Law program ensures that County contractors and subcontractors pay employees a "living wage" in compliance with the annually adjusted rate established by the Maryland State Commissioner of Labor and Industry for the Montgomery County region.

-Domestic Partner Benefits: The Domestic Partner Benefits program ensures the County's contractors or subcontractors, as employer, provide the same benefits to an employee with a domestic partner as provided to an employee with a spouse.

Program Performance Measures	Actual FY14	Actual FY15	Estimated FY16	Target FY17	Target FY18
Business Relations and Compliance: Percentage of contract dollars awarded to small, local business	25	24	24	24	24
Percent of contract Dollars awarded to minority/female/disabled (MFD) owned businesses	20	19	20	20	20
Value of County contracts awarded to local small businesses (\$000)	96,271	88,550	80,000	80,000	80,000

FY17 Approved Changes	Expenditures	FTEs
FY16 Approved	914,818	5.50
Increase Cost: Software Maintenance	15,900	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.	42,669	0.00
FY17 Approved	973,387	5.50

Procurement Services

The Procurement Services Section provides for departmental direction, oversight and support for the Contract Review Committee, analysis, budget preparation and monitoring. This section also manages contract scanning activities for documents, contracts and subsequent contract actions, manages archiving standards, provides departmental customer service assistance, and manages the development of Contract

Administrator Forums. Additionally, it centrally coordinates departmental training and tracking including national certifications and re-certification, expenditure control, escrow management, human resources activities, management of departmental knowledge based articles and 311 service requests, and coordination of interpreter services for departmental activities or customer needs.

FY17 Approved Changes	Expenditures	FTEs
FY16 Approved	217,902	4.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	8,597	0.00
FY17 Approved	226,499	4.00

Budget Summary

	Actual FY15	Budget FY16	Estimate FY16	Approved FY17	%Chg Bud/App
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	0	2,778,984	2,796,824	3,070,599	10.5 %
Employee Benefits	0	980,403	911,185	977,285	-0.3 %
County General Fund Personnel Costs	0	3,759,387	3,708,009	4,047,884	7.7 %
Operating Expenses	0	422,362	377,564	436,473	3.3 %
County General Fund Expenditures	0	4,181,749	4,085,573	4,484,357	7.2 %
PERSONNEL					
Full-Time	0	33	33	35	6.1 %
Part-Time	0	2	2	2	---
FTEs	0.00	32.90	32.90	34.90	6.1 %

FY17 Approved Changes

	Expenditures	FTEs
COUNTY GENERAL FUND		
FY16 ORIGINAL APPROPRIATION	4,181,749	32.90
Changes (with service impacts)		
Enhance: Administrative Specialist for Outreach and Technical Support [Procurement Operations]	70,000	1.00
Reduce: Office Supplies [Procurement Operations]	(10,000)	0.00
Other Adjustments (with no service impacts)		
Shift: Minority and Small Business Outreach from Department of Economic Development [Procurement Operations]	255,109	1.00
Increase Cost: FY17 Compensation Adjustment	53,482	0.00
Increase Cost: Group Insurance Adjustment	21,188	0.00
Increase Cost: Software Maintenance [Business Relations and Compliance]	15,900	0.00
Increase Cost: Printing and Mail	531	0.00
Decrease Cost: Telecommunications to the Telecommunications Non-Departmental Account	(2,320)	0.00
Decrease Cost: Retirement Adjustment	(35,732)	0.00
Decrease Cost: Annualization of FY16 Personnel Costs	(65,550)	0.00
FY17 APPROVED	4,484,357	34.90

Program Summary

Program Name	FY16 APPR		FY17 APPR	
	Expenditures	FTEs	Expenditures	FTEs
Procurement Operations	3,049,029	23.40	3,284,471	25.40
Business Relations and Compliance	914,818	5.50	973,387	5.50
Procurement Services	217,902	4.00	226,499	4.00
Total	4,181,749	32.90	4,484,357	34.90

Charges to Other Departments

Charged Department	Charged Fund	FY16		FY17	
		Total\$	FTEs	Total\$	FTEs
COUNTY GENERAL FUND					
Fleet Management Services	Motor Pool	37,375	0.30	38,826	0.30
Parking District Services	Bethesda Parking	6,387	0.05	6,397	0.05
Parking District Services	Silver Spring Parking	6,387	0.05	6,397	0.05
Transit Services	Mass Transit	24,917	0.20	25,884	0.20

Charged Department	Charged Fund	FY16		FY17	
		Total\$	FTES	Total\$	FTES
Solid Waste Services	Solid Waste Disposal	62,292	0.50	64,711	0.50
Total		137,358	1.10	142,215	1.10

Future Fiscal Impacts

Title	CC APPROVED (\$000s)					
	FY17	FY18	FY19	FY20	FY21	FY22
COUNTY GENERAL FUND						
EXPENDITURES						
FY17 Approved	4,484	4,484	4,484	4,484	4,484	4,484
No inflation or compensation change is included in outyear projections.						
Labor Contracts	0	13	13	13	13	13
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
Subtotal Expenditures	4,484	4,497	4,497	4,497	4,497	4,497