



Procurement

RECOMMENDED FY22 BUDGET

\$4,933,283

FULL TIME EQUIVALENTS

37.90

 AVINASH G. SHETTY, DIRECTOR

MISSION STATEMENT

The mission of the Office of Procurement is to facilitate the use of public funds in partnership with County departments to effectively procure goods, services, and construction in an inclusive, transparent and equitable manner that best serves County residents, businesses, and the public interest.

The Office of Procurement is a cabinet-level department tasked with preserving the public trust and ensuring the integrity of the County's procurement process. The Office of Procurement ensures compliance with all 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 recommended FY22 Operating Budget for the Office of Procurement is \$4,933,283, an increase of \$132,209 or 2.75 percent from the FY21 Approved Budget of \$4,801,074. Personnel Costs comprise 92.65 percent of the budget for 38 full-time position(s) and two part-time position(s), and a total of 37.90 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 7.35 percent of the FY22 budget.

COUNTY PRIORITY OUTCOMES

While this program area supports all seven of the County Executive's Priority Outcomes, the following are emphasized:

-  **A Growing Economy**
-  **Effective, Sustainable Government**

INITIATIVES

-  Launched a PROjection forecast webpage for upcoming procurement opportunities and enhancing the information available on

that site.

- ★ Developing PROactive launch button to assist contract administrators proactively begin the solicitation replacement cycle.
- ★ Developing 'How To' videos on navigating the PRO website.
- ★ Implementing and rebranding of the PRO website to improve the customer experience through easy navigation and intuitive access to information.

INNOVATIONS AND PRODUCTIVITY IMPROVEMENTS

- ★ Procurement received three distinguished achievement awards from The National Association of Counties (NACo) in the categories of Information Technology and Transportation. They are Visualizing the Solicitation Process with Kanban, Solicitation Tracker - Transparency in Public Procurement and Construction Manager at Risk (CMAR) Project Delivery System.
- ★ Reduced Invitation For Bid (IFB) Boilerplate from 39 pages to 24 pages, a 38 percent reduction.
- ★ Implemented the Local Small Business Reserve Program (LSBRP) amendment bill (39-19) to include non-profit organizations and increase the goal from 20% to 25% and the new Local Business Preference Program Legislation (25-19E).
- ★ Developed reverse trade show targeting specific industries to meet with using department decision makers & partnered with department stakeholders to initiate a University of Maryland graduate student research project - Green Procurement Opportunities for Montgomery County.
- ★ Implemented Microsoft Teams channels and e-signature for PRO Telework.
- ★ Piloted eprocurement with a multi-award Local Small Business Reserve Program (LSBRP) technology solicitation and will continue to expand the pilot.

PROGRAM CONTACTS

Contact Pam Jones of the Office of Procurement at 240.777.9911 or Jane Mukira of the Office of Management and Budget at 240.777.2754 for more information regarding this department's operating budget.

PROGRAM 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 FY21 estimates reflect funding based on the FY21 Approved Budget. The FY22 and FY23 figures are performance targets based on the FY22 Recommended Budget and funding for comparable service levels in FY23.

PROGRAM DESCRIPTIONS

★ 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 as well as Montgomery County small businesses. The Office administers the County's Wage Requirements and Prevailing Wage programs for service and construction

contracts. The DBRC is 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 the County include equitable participation by certified minority, female, or disabled-owned businesses. 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 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 in identifying 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.
- **Wage Requirements Law (WRL):** The Wage Requirements 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.
- **Prevailing Wage Law (PWL):** The Prevailing Wage Law is patterned after the Federal Davis-Bacon and State of Maryland's prevailing wage laws. It requires the local prevailing wage be paid to workers on County financed construction contracts. The prevailing wage rate is a rate paid for comparable work in the private sector within the County. The rates are calculated by the State, based on surveys of construction company employers.

Program Performance Measures	Actual FY19	Actual FY20	Estimated FY21	Target FY22	Target FY23
Percent of County contract dollars that are awarded to certified MFD vendors (measured against County goals for each category)	24.4%	22.9%	23.0%	23.0%	23.0%
Business Relations and Compliance: Percent of contract dollars awarded to LSBs	27.4%	27.8%	26.0%	26.0%	26.0%
Enforcement: Dollars returned to workers as result of enforcement actions taken by Procurement	\$68,619	\$80,920	\$50,000	\$50,000	\$50,000

FY22 Recommended Changes	Expenditures	FTEs
FY21 Approved	1,443,705	9.50
Increase Cost: Reclassification From MIII to MII	6,724	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.	(2,434)	0.00
FY22 Recommended	1,447,995	9.50

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 Specialists develop contract administration procedures, research vendors, review contracts, 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. Staff also participates in and leads recognized professional purchasing organizations at the local, State, and national levels.

The Information Technology (IT) staff provides support to develop and maintain information systems for the department's business operations. This includes purchase and maintenance of IT equipment, service and support for major end-use systems on a Countywide 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's Department of Technology Services.

Program Performance Measures	Actual FY19	Actual FY20	Estimated FY21	Target FY22	Target FY23
Percent of procurements completed in agreed upon time ¹	87%	80%	82%	84%	86%

¹ This figure represents the average for the following: Invitation For Bid - 74%; Request For Proposals - 76%; and Construction - 91% for FY20.

FY22 Recommended Changes	Expenditures	FTEs
FY21 Approved	3,150,889	24.40
Increase Cost: Licenses - Additional TW funds	12,475	0.00
Increase Cost: Adobe & O365 License for e-signatures & Telework for Additional New Staff	5,000	0.00
Increase Cost: Enterprise License	2,500	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.	102,000	0.00
FY22 Recommended	3,272,864	24.40

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, and provides departmental customer service assistance. 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 MC311 service requests, and coordination of interpreter services for departmental activities or customer needs.

FY22 Recommended Changes	Expenditures	FTEs
FY21 Approved	206,480	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.	5,944	0.00
FY22 Recommended	212,424	4.00

BUDGET SUMMARY

	Actual FY20	Budget FY21	Estimate FY21	Recommended FY22	%Chg Bud/Rec
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BUDGET SUMMARY

	Actual FY20	Budget FY21	Estimate FY21	Recommended FY22	%Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	2,549,508	3,462,246	3,001,686	3,576,423	3.3 %
Employee Benefits	932,810	996,748	853,479	994,391	-0.2 %
County General Fund Personnel Costs	3,482,318	4,458,994	3,855,165	4,570,814	2.5 %
Operating Expenses	380,144	342,080	524,328	362,469	6.0 %
County General Fund Expenditures	3,862,462	4,801,074	4,379,493	4,933,283	2.8 %
PERSONNEL					
Full-Time	35	38	38	38	—
Part-Time	2	2	2	2	—
FTEs	34.90	37.90	37.90	37.90	—
County General Fund Revenues	0	0	0	0	—
GRANT FUND - MCG					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Grant Fund - MCG Personnel Costs	0	0	0	0	—
Operating Expenses	6,385	0	0	0	—
Grant Fund - MCG Expenditures	6,385	0	0	0	—
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	0.00	0.00	0.00	0.00	—
DEPARTMENT TOTALS					
Total Expenditures	3,868,847	4,801,074	4,379,493	4,933,283	2.8 %
Total Full-Time Positions	35	38	38	38	—
Total Part-Time Positions	2	2	2	2	—
Total FTEs	34.90	37.90	37.90	37.90	—
Total Revenues	0	0	0	0	—

FY22 RECOMMENDED CHANGES

	Expenditures	FTEs
COUNTY GENERAL FUND		
	FY21 ORIGINAL APPROPRIATION	4,801,074 37.90
Other Adjustments (with no service impacts)		
Increase Cost: FY21 Compensation Adjustment	81,350	0.00

FY22 RECOMMENDED CHANGES

	Expenditures	FTEs
Increase Cost: FY22 Compensation Adjustment	36,607	0.00
Increase Cost: Licenses - Additional TW funds [Procurement Operations]	12,475	0.00
Increase Cost: Reclassification From MIII to MII [Business Relations and Compliance]	6,724	0.00
Increase Cost: Adobe & O365 License for e-signatures & Telework for Additional New Staff [Procurement Operations]	5,000	0.00
Increase Cost: Annualization of FY21 Personnel Costs	3,524	0.00
Increase Cost: Enterprise License [Procurement Operations]	2,500	0.00
Increase Cost: Print and Mail Adjustment	1,914	0.00
Decrease Cost: Elimination of One-Time Items Approved in FY21	(1,500)	0.00
Decrease Cost: Retirement Adjustment	(16,385)	0.00
FY22 RECOMMENDED	4,933,283	37.90

PROGRAM SUMMARY

Program Name	FY21 APPR Expenditures	FY21 APPR FTEs	FY22 REC Expenditures	FY22 REC FTEs
Business Relations and Compliance	1,443,705	9.50	1,447,995	9.50
Procurement Operations	3,150,889	24.40	3,272,864	24.40
Procurement Services	206,480	4.00	212,424	4.00
Total	4,801,074	37.90	4,933,283	37.90

CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY21 Total\$	FY21 FTEs	FY22 Total\$	FY22 FTEs
COUNTY GENERAL FUND					
Fleet Management Services	Motor Pool	42,976	0.30	46,528	0.30
Parking District Services	Bethesda Parking	5,765	0.05	5,813	0.05
Parking District Services	Silver Spring Parking	5,765	0.05	5,813	0.05
Transit Services	Mass Transit	28,650	0.20	31,019	0.20
Recycling and Resource Management	Solid Waste Disposal	71,626	0.50	77,547	0.50
Total		154,782	1.10	166,720	1.10

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY22	FY23	FY24	FY25	FY26	FY27
COUNTY GENERAL FUND						
EXPENDITURES						

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY22	FY23	FY24	FY25	FY26	FY27
FY22 Recommended	4,933	4,933	4,933	4,933	4,933	4,933
No inflation or compensation change is included in outyear projections.						
Labor Contracts	0	81	81	81	81	81
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
Subtotal Expenditures	4,933	5,015	5,015	5,015	5,015	5,015

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