



Procurement

RECOMMENDED FY27 BUDGET

\$7,289,479

FULL TIME EQUIVALENTS

37.40

 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 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 FY27 Operating Budget for the Office of Procurement is \$7,289,479, an increase of \$1,262,723 or 20.95 percent from the FY26 Approved Budget of \$6,026,756. Personnel Costs comprise 84.11 percent of the budget for 38 full-time position(s) and one part-time position(s), and a total of 37.40 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 15.89 percent of the FY27 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

-  Consolidating contract lifecycle applications into an e-Procurement solution to integrate sourcing, contract management, vendor management, and compliance management.

INNOVATIONS AND PRODUCTIVITY IMPROVEMENTS

- ✦ Expanded outreach by increasing annual events and launching new large-scale initiatives to better connect businesses, especially federal contractors, with County opportunities. These engagements provide business owners with practical guidance and direct access to procurement resources.
- ✦ Developed several standardized tools and processes, including the Contract Pre-Cure Resource, Vendor Onboarding Guide, Bridge Contract Guidance, and Contract Closeout Playbook, to ensure consistent, fair, and transparent contract management across the lifecycle. These frameworks improve communication, documentation, and oversight while supporting equity and accountability.
- ✦ Streamlined internal operations by consolidating and rebranding procurement forms into new fillable PRO-Forms. This modernization improves usability for staff and enhances overall procurement efficiency.

PROGRAM CONTACTS

Contact Sarah Giambra of the Office of Procurement at 240-777-9951 or Mahnoor Anjum of the Office of Management and Budget at 240-777-2771 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 FY26 estimates reflect funding based on the FY26 Approved Budget. The FY27 and FY28 figures are performance targets based on the FY27 Recommended Budget and funding for comparable service levels in FY28.

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 local, small, minority, female, disabled-owned and veteran-owned businesses. The division administers the County's Wage Requirements (WRL) and Prevailing Wage (PWL) laws for service and construction contracts. The DBRC is responsible for enforcing County government contracting compliance with the socioeconomic laws, programs, and policies of the County. DBRC is also responsible for vendor outreach, training, and engagement with the business community.

DBRC's compliance programs ensure that the County's procurement compliance laws such as Minority, Female, Disabled (MFD) owned business program and local, small, veteran owned business programs are enforced and monitored. This is done by ensuring department spending goals to the MFD and Local Business laws are met and that contractors are paying their employees the proper wage rate under the WRL and PWL wage laws.

- **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 25 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.
- **The Local Business Preference Program (LBPP)** is intended to bolster the County's economic growth and support the creation and retention of employment opportunities within the County. LBPP is a local preference points program; this means that Montgomery County-based businesses will receive an extra 10% preference points on County contract awards. LBPP requires a 10% price preference for a local business bidding on an IFB or an evaluation factor worth 10% of the total points for a local business submitting a proposal under an RFP for a contract awarded by the County.
- **Local Business Subcontracting Program (LBSP):** The County established a 10% subcontracting goal for local businesses in procurement contracts with an estimated value to exceed \$10 million.
- **Wage Requirements Law:** 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:** 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.
- **Veteran-Owned Business Preference Program:** The Verified Veteran-Owned businesses that are local to Montgomery County will receive additional evaluation points worth 5% of the total available points for proposals submitted under Local Small Business Reserve Program.

Program Performance Measures	Actual FY24	Actual FY25	Estimated FY26	Target FY27	Target FY28
Percent of County contract dollars that are awarded to certified minority, female, or disabled-owned (measured against County goals for each category)	23.5%	21.4%	22.0%	23.0%	24.0%
Business Relations and Compliance: Percent of contract dollars awarded to local small businesses	32.2%	33.7%	34.0%	34.5%	35.0%
Enforcement: Dollars returned to workers as result of enforcement actions taken by Procurement	\$86,920	\$17,278	\$10,000	\$10,000	\$10,000

FY27 Recommended Changes	Expenditures	FTEs
FY26 Approved	1,419,880	6.50
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	31,337	0.00
FY27 Recommended	1,451,217	6.50

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 recognized professional purchasing organizations at the local, State, and national levels.

Program Performance Measures	Actual FY24	Actual FY25	Estimated FY26	Target FY27	Target FY28
Percent of procurements completed in agreed upon time ¹	89%	87%	85%	85%	85%

¹ This figure represents the average for the following: Invitation For Bid: 81%; Request For Proposals: 91%; and Construction: 89% for FY25.

FY27 Recommended Changes	Expenditures	FTEs
FY26 Approved	4,067,400	25.90
Add: E-Procurement System	816,170	0.00
Technical Adj: Shift Position From Procurement Operations to Procurement Services to Address Operational Needs	(129,028)	(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.	348,592	0.00
FY27 Recommended	5,103,134	24.90

Procurement Services

The Procurement Services section provides departmental direction, oversight, and support for the Contract Review Committee, reporting and analysis, and budget preparation/ administration. This section also manages 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-certifications, expenditure control, escrow management, human resource actions, management of departmental Knowledge Base Articles and MC311 service requests, and coordination of interpreter services for departmental activities or customer needs.

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, and service and support for major end-user systems on a County-wide basis. IT management of applications, databases, systems, and department website design and maintenance are included in this program, as well as coordination with the County's Department of Technology and Enterprise Business Solutions (TEBS).

FY27 Recommended Changes	Expenditures	FTEs
FY26 Approved	539,476	5.00
Technical Adj: Shift Position From Procurement Operations to Procurement Services to Address Operational Needs	129,028	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.	66,624	0.00

FY27 Recommended Changes	Expenditures	FTEs
FY27 Recommended	735,128	6.00

BUDGET SUMMARY

	Actual FY25	Budget FY26	Estimated FY26	Recommended FY27	%Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	4,158,634	4,422,974	4,583,482	4,752,857	7.5 %
Employee Benefits	1,144,144	1,269,742	1,214,154	1,378,045	8.5 %
County General Fund Personnel Costs	5,302,778	5,692,716	5,797,636	6,130,902	7.7 %
Operating Expenses	387,084	334,040	334,040	1,158,577	246.8 %
County General Fund Expenditures	5,689,862	6,026,756	6,131,676	7,289,479	21.0 %
PERSONNEL					
Full-Time	38	38	38	38	—
Part-Time	1	1	1	1	—
FTEs	37.40	37.40	37.40	37.40	—
County General Fund Revenues	0	0	0	0	—

FY27 RECOMMENDED CHANGES

	Expenditures	FTEs
COUNTY GENERAL FUND		
	FY26 ORIGINAL APPROPRIATION	6,026,756 37.40
<u>Changes (with service impacts)</u>		
Add: E-Procurement System [Procurement Operations]	816,170	0.00
<u>Other Adjustments (with no service impacts)</u>		
Increase Cost: FY27 Compensation Adjustment	215,358	0.00
Increase Cost: Annualization of FY26 Personnel Costs	135,204	0.00
Technical Adj: Shift Position From Procurement Operations to Procurement Services to Address Operational Needs [Procurement Services]	129,028	1.00
Increase Cost: Lapse Adjustment	60,541	0.00
Increase Cost: Annualization of FY26 Compensation Increases	42,931	0.00
Increase Cost: Printing and Mail	8,367	0.00
Decrease Cost: Retirement Adjustment	(15,848)	0.00
Technical Adj: Shift Position From Procurement Operations to Procurement Services to Address Operational Needs [Procurement Operations]	(129,028)	(1.00)
	FY27 RECOMMENDED	7,289,479 37.40

PROGRAM SUMMARY

Program Name	FY26 APPR Expenditures	FY26 APPR FTEs	FY27 REC Expenditures	FY27 REC FTEs
Business Relations and Compliance	1,419,880	6.50	1,451,217	6.50
Procurement Operations	4,067,400	25.90	5,103,134	24.90
Procurement Services	539,476	5.00	735,128	6.00
Total	6,026,756	37.40	7,289,479	37.40

CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY26 Total\$	FY26 FTEs	FY27 Total\$	FY27 FTEs
COUNTY GENERAL FUND					
Fleet Management Services	Motor Pool	31,937	0.30	36,912	0.30
Parking District Services	Bethesda Parking	6,400	0.05	6,807	0.05
Parking District Services	Silver Spring Parking	6,400	0.05	6,807	0.05
Transit Services	Mass Transit	21,292	0.20	24,608	0.20
Recycling and Resource Management	Solid Waste Disposal	53,229	0.50	61,521	0.50
	Total	119,258	1.10	136,655	1.10

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY27	FY28	FY29	FY30	FY31	FY32
COUNTY GENERAL FUND						
EXPENDITURES						
FY27 Recommended	7,289	7,289	7,289	7,289	7,289	7,289
No inflation or compensation change is included in outyear projections.						
E-Procurement System	0	38	(337)	(666)	(666)	0
Items recommended for funding in FY27, including the implementation of an e-Procurement System, will be adjusted within the base in the outyears.						
Labor Contracts	0	50	50	50	50	50
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
Subtotal Expenditures	7,289	7,377	7,002	6,673	6,673	7,339