Agenda Item #52
May 5, 2009

Worksession

MEMORANDUM

May 1, 2009

TO: Montgomery County Council

FROM: Dr. Costis Toregas, Council IT Adviser

SUBJECT: FY10 Operating Budget for Procurement and Related Programs, Section 31 in the Executive's Budget

The following may attend:

David Dise, Director, Department of General Services (DGS)
Pam Jones, Acting Division Chief, Office of Procurement, DGS
Ken Taylor, Manager, Office of Business Relations and Compliance, DGS
Jane Lawton, DGS
Adam Damin, Office of Management and Budget

The analytic packet with relevant information is on ©A-©15.

T&E Committee recommendation

On April 23, 2009, the Committee unanimously recommended the adoption of the FY10 Procurement and Related Programs budget as recommended by the Executive.

Committee discussion

The Committee discussed the magnitude of the "Miscellaneous Adjustments" item of $229,440 (see ©G) and asked Executive staff to indicate whether this reflected an increase in resources for the department. During the session and in subsequent communications with Council staff, it was made clear that this item is indeed an unusual, one-time technical adjustment that will not be repeated in future years. Elements contributing to the magnitude of this adjustment include the following:

- The FY09 base numbers for this category were in error; that is known and corrected in FY10 and subsequent years. However, the distribution formula used to allocate DGS costs to each department could not be adjusted at this detailed level, leading to an outsized allocation to the Procurement division.
- The reorganization of the department meant the assimilation of several disparate databases, with some readjustments made necessary.
- There has been no increase in the staffing of the Procurement division, although some internal readjustments across the Department of General Services, aiming at consolidating the procurement function, may have impacted the adjustment number.

Representatives from the Executive have assured Council staff that, in FY11, this adjustment will be significantly lower and will be accompanied by detailed footnotes if needed.

T&E Committee #1
April 23, 2009

MEMORANDUM

April 21, 2009

TO: Transportation, Infrastructure, Energy and Environment Committee

FROM: Dr. Costis Toregas, Council IT Adviser

SUBJECT: FY10 Operating Budget for Procurement and Related Programs, Section 31 in the Executive's Budget

The following may attend:

David Dise, Director, Department of General Services (DGS)
Pam Jones, Acting Division Chief, Office of Procurement, DGS
Ken Taylor, Manager, Office of Business Relations and Compliance, DGS
Jane Lawton, DGS
Adam Damin, Office of Management and Budget

The relevant pages from the recommended FY10 operating budget are attached on ©1-10. The Committee will be focusing on ©2-3 that contain information regarding the Office of **Procurement** and the Office of **Business Relations and Compliance**.

Overview for Office of Procurement

The Executive is recommending that the Procurement Office be funded at $2,403,550, which represents an increase of $229,550 from the approved level of $2,174,110 in FY09.

The Executive is recommending that the Business Relations and Compliance Office be funded at $600,420, which represents an increase of $91,650 from the approved level of $508,770 in FY09.

The detailed expenditures and workyears attributed to the two programs are summarized in the two tables below.

A

Office of Procurement	FY09 Approved	FY10 CE Recommended	Change from FY09-10 Amount	%
Expenditures	$2,174,110	$2,403,550	+$229,440	+10.5%
Workyears	27.9	27.9	0	NA

Office of Business Relations and Compliance	FY09 Approved	FY10 CE Recommended	Change from FY09-10 Amount	%
Expenditures	$508,770	$600,420	+$91,650	+18.0%
Workyears	5.0	4.8	-0.2	-4.0%

Performance metrics are included both in the budget document and online in the CountyStat series of "headline measures". The complete CountyStat program overview and metrics elements from the online-line file are reproduced on ©11-12, showing that Procurement does **not** currently have a published headline or detailed measure available.

The Budget document on ©1 suggests that a new measure of "percent of procurements completed in agreed upon time" is under construction. This shift will provide a simplified metric of accomplishments, but will no longer give the kind of detail offered by the measures provided in the FY10 Operating Budget (see ©13), including average days to process invitations to bid and average days to process Requests for Proposals. This may be seen as a reduction of accountability measures available to the Executive, Council, and the general public. However, the fact that CountyStat is now institutionalizing an overall performance review counterbalances this drift away from explicit targets. There should now be additional emphasis put on publicizing CountyStat's outcomes so that the Council and general public continue to be aware of performance issues and accomplishments of this vital department.

Program considerations

In order to properly review and evaluate the Procurement program of the Department of General Services, it is important to establish a framework for its activities. Three major dimensions are proposed: the role of Procurement for accomplishing policy goals, efficiency of operations, and adequate infrastructure. Each is presented with analytic comments relating to the proposed FY10 budget for the Committee's review.

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I. Accomplishment of Policy Goals

Procurement can help the Council accomplish important policy goals. Examples of such goals currently under consideration include:

a. **Reducing costs of goods and services** in other departments through condition-based contracting and effective management of vendor relations. In order to explore the current conditions and assess whether cost reductions through contract management are feasible, two questions were raised.

Question 1: If it were possible to legislate a reduction in the funds available for all contracts (throughout County Government), where would such a reduction be feasible? Please provide a breakdown of the current number and dollar volume of contracts by the three major types of contract action: Amendment, Condition-Based (SLAs), and Cancellation.

DGS response: We are looking into how best to break down contract types and talking to departments to identify what has already taken place in terms of contract reduction reviews, but do not have the information completed at this time; this requires coordination with all departments. Please note that termination clauses are in all of the County's contracts, but whether there are modifications to the standard language needs to be examined on a case-by-case basis. One clarification is that amendments may be required for any type of reduction, whether on a condition-based contract or termination.

Staff Comment: The lack of this type of classification makes the use of contract-based cost reductions infeasible this year. The Committee should ***request a mid-year review of the progress*** *in this area, with an eye towards using this technique for cost management in the FY11 budget season.*

Question 2: If more aggressive use of condition-based contract management was favored in order to reduce contract costs during tough economic times, what would be the impact on the department's current staffing level? Would potential cost savings from such a strategy more than offset added personnel costs required to administer such a program of increased contract management?

DGS response: Using departments would be better suited to determine their staffing requirements and the impact resulting from programmatic changes in their contracts. However, in speaking to some departments like DTS, they have expressed concern that either it would increase staff workload or they would be providing less service to departments, and future costs would increase as a result of not maintaining ongoing service. This would have to be looked at on a contract-by-contract basis, as each department's program is different and the condition-based management impact may vary.

Staff Comment: Implementing condition-based contract management would have to be seen as requiring additional staff in the Department of Procurement in order to identify targets for such

(c)

actions, as well as negotiate and help manage the reduced levels. During the mid-year review suggested above, staffing considerations should be explicitly addressed.

b. Green Programs

Green procurement has many benefits, and DGS has agreed to explore how to more explicitly support green goals in the process of routine procurement of goods and services (see © 14-15 for a communication between Council Vice President Roger Berliner and DGS Director David Dise, which clarifies this overall policy aim). It is not clear from the FY10 budget submission whether a green procurement component will need additional funding, and the Committee should make sure that this program is indeed an ongoing endeavor.

c. Support of Local Small Businesses

The Council has articulated a desire to continue to strengthen the local small business community through, among other mechanisms, the establishment and operation of an explicit Local Small Business Reserve (LSBR) program. In order to accomplish this goal, resources must be provided and priorities established. Staff asked DGS to clarify how this support will be provided.

Question: The Council is currently reviewing new standards requested by the Executive for the LSBR program; what resources are included in the FY10 recommended budget to implement the increased level of activity foreseen by this change?

DGS response: In the current economic climate there are no funds available for this purpose.

Staff Comment: Once the LSBR program is finalized, its support will have to be established. The number of new programs that can be absorbed within existing staff and resource parameters has to be carefully monitored. Staff recommends that an ***understanding of how the LSBR program will be supported*** *be* ***established*** *before the Procurement and Related Programs budget is approved.*

d. Transparency of government payments through the provision of online access to contractor payment historical information.

The Council passed Spending Disclosure Bill 1-09 on February 24, 2009, which will provide information regarding payments made to County contractors; this will be available on an automated basis starting September 1, 2010. This requirement will be supported by the new ERP system currently under deployment.

Care must be taken not to overload this specialized role of procurement, as any request to support policy objectives will usually carry with it added costs of executing and monitoring the program, as well as the risk of increasing prices that the vendor community will charge in order to accomplish these added goals (beyond the actual procurement itself).

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II. Efficiency

The department is striving to perform its duties with improved tools and approaches that stretch the dollar invested in their budget. One such tool is Reverse Auctions. Reverse Auctions are used by progressive jurisdictions and corporations to reduce handling costs of bids in commodity-type contracts and to allow market forces to find the lowest process in contracts. DGS reports the following regarding the use of reverse auctions in Montgomery County:

DGS response: The County has a reverse auction contract for natural gas, resulting from a cooperative procurement with jurisdictions in the Council of Governments. The current encumbered dollars are $4,603,150. The County is also in the process of preparing a contract for a reverse auction consultant to conduct a reverse auction bid on gasoline; this was issued as an RFP.

The department also developed and currently supports a Centralized Vendor Registration Portal (CVRP), which makes the registration process of corporations and organizations desiring to do business with the County and all related agencies easier, and sets the foundation for better coordinating the activities of the County Government and other agencies.

Finally, the Office of Legislative Oversight (OLO) released a report in 2007 titled "Inventory of Internal Service Functions Performed by 5 Montgomery County Departments" detailing, among other items, opportunities to coordinate procurement activities across 5 major departments (Police, Fire and Rescue, Libraries, Health and Human Services, and DPWT (now DOT). The results of that report are available and can be used as the foundation of an exploration of coordination options later this year, leading to procurement process improvements and possible cost reductions in subsequent budget cycles.

Staff Comment: The department is showing good progress in creating opportunities for improved efficiency of operations. Their efforts should be endorsed.

III. Infrastructure

In order to execute procurement programs, there must be an adequate infrastructure of resources that can deliver needed results in a sustainable manner. Essential elements of this infrastructure include:

a. well trained and certified staff; and
b. strong processes, including e-filing of proposals.

A question regarding increasing the use of automated tools in the program beyond vendor registration, was raised. The DGS response and staff comments are provided below.

Question: Are there plans to transition to digital submission of bids? What is the expected date for this transition? And are there expected cost impacts on the Office of Procurement which are included in the FY10 recommended budget?

E

DGS response: The Department of General Services issued a Local Small Business (LSBRP) RFP for an online e-bidding system as a hosted solution. The proposals are currently being evaluated so there is not a specific date at this time, since once a contractor is selected, a contract needs to be negotiated and then a phase-in for design and implementation. There will be staff resources used to work with the vendor on design and implementation. We anticipate beginning this project in the fall of 2009. Savings will accrue to the County and to bidders, since submission of large volumes of paper, travel, and time calculating bid results will be addressed as part of this e-bidding solution.

Staff Comment: It is difficult to see the financial impact of this important program - both in terms of cost to deploy it, and observing any operating budget impacts once it is in use. As DGS states that the program is beginning in the fall of 2009, staff assumes that the cost to procure this new system is already included in the base budget of the department, and ***no additional funds are being requested.***

c. Data base of contracts - accurate and accessible

Availability of online, accurate, and secure information regarding contracts is vital, especially given the high volume of transactions. In 2008, 8,398 contract actions transpired, and over 2,000 contracts were under management oversight by the Department. A question regarding the status of the online system was raised by staff, and the Department's response, as well as comment by Council staff, is as follows:

Question: How close is the Office of Procurement to being able to provide online access to detailed cost information relating to all contracts? An example of such online access offered by the federal government for comparison purposes can be found at http://www.usaspending.gov/index.php . If the capacity is not available now, give an estimate of time and dollar resources necessary to arrive at such a management capacity, and whether such strategy is included in the FY10 recommended budget.

DGS response: The Department of General Services is working through DTS to obtain assistance in getting the public portion of contracts online. It is currently estimated to be a few months to work through the technology piece with DTS and complete the individual review of confidential information that cannot be posted. In reviewing the federal government website listed above, this site lists by year the total number of transactions and dollar value and percentage change from previous year. Additionally, the site shows dollars of contracts that were competed, those that could not, etc. It also provides the top ten, or top 5, vendors, departments, or types of goods/services in a given year. This is the type of information that is currently provided in the Office of Procurement's Annual Report.

Staff Comment: From the response above, it is not clear whether adequate resources are included in the recommended FY10 budget to complete this effort. The Committee should ***support funding requests*** *for this essential management function.*

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FY10 Expenditure Issues

Additional issues regarding detailed expenditure patterns and service levels were identified, and questions were provided to DGS for response. These questions, the DGS response, and Council staff comment as appropriate are provided below.

1. In the FY09 budget, the Office of Procurement provided 4 explicit metrics of performance:

- Percentage of DGS staff time transacting POs over $25,000
- Average days for processing Invitation for Bids
- Average days for processing construction contracts
- Average days for processing RFPs

In the FY10 recommended budget, only a single performance measure appears: percent of procurements completed in agreed upon time. Please articulate the reason for the contraction of metrics, and how accountability of specific work sub-units can be maintained.

DGS response: The Office of Procurement still has 3 of the 4 metrics; in the new CountyStat and budget measure, the latter three were rolled under a headline measure. This measure, however, still applies to IFBs, RFPs, and Construction, and when the data is reported it will be broken down according to these three categories.

2. Provide details of the Miscellaneous Adjustments item of $229,440, as this increase represents more than 10% of the budget.

DGS response: Miscellaneous adjustments figure is for all DGS General Fund and will be distributed to all Divisions when the final budget is entered into the system.

Staff Comment: This manner of handling the adjustment appears to reflect current practice, and does not provide a meaningful way to understand its component elements. No action is recommended.

3. In the FY09 budget, the Department of General Services provided 3 explicit metrics of performance in the areas of OBRC activity:

- Value of County contracts awarded to local small businesses
- Percentage of Minorities, Females & Disabled awards relative to proposals submitted
- Percentage of total County contracting dollars awarded to businesses owned by minorities, females, or disabled persons.

In the FY10 recommended budget, only one headline measure has been provided: "Percentage of contract dollars awarded to MFD owned businesses". Please articulate the reason for the elimination of the two other metrics, and how accountability of the office is impacted.

DGS response: Although the FY10 Budget lists only one headline measure, there are two headline measures for this area: (1) percentage of total County contracting dollars awarded

to businesses owned by minorities, females and disabled persons, and (2) percentage of total County contracting dollars awarded to businesses owned locally. OMB will be working with departments to develop sub-measures to capture details about individual programs for the FY11 Budget.

Staff Comment: The ability of the department to provide OBRC metrics will clarify progress made against the policy goals articulated by Council. It is suggested ***that periodic reviews of these expanded metrics be provided*** *the Committee.*

4. The performance metric "percent of contract dollars awarded to MFD owned businesses" is targeted at 21% for both FY10 and FY11. Yet the metric was at a high of 22.3% in FY07. Explain the drop and the acceptance of this lower level as a program target.

DGS response: The national economic downturn has resulted in the failure of several MDOT certified MBEs that registered with the County as MFD vendors in the past year. The County savings plans have also reduced the amount of spending in the current and upcoming fiscal years. The combination of business failures and required savings will continue to impact the viability of the MFD vendors and the County's ability to contract with them.

Staff Comment: This trend is not unexpected, but underscores the importance of the County's program to support MFD owned businesses. ***A strategy that targets this situation*** *and* ***provides creative assistance options*** *should be* ***developed*** *and reviewed with the Committee as early as feasible.*

Reductions

There are no additional reduction strategies recommended by Council staff for Procurement and other related programs of the Department of General Services.

Recommendation

DGS is well on its way, with new leadership and a pending deployment of ERP which will have a new procurement module at its core, integrated with the financial and HR systems, to deliver on this set of objectives. Staff recommends the **adoption of the Executive's FY10 budget as submitted.**

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(H)

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" and "Healthy and Sustainable Communities."

BUDGET OVERVIEW

The total recommended FY10 Operating Budget for the Department of General Services is $34,660,250, a decrease of $244,500 or 0.7 percent from the FY09 Approved Budget of $34,904,750. Personnel Costs comprise 50.4 percent of the budget for 248 full-time positions and seven part-time positions for 199.4 workyears. Operating Expenses and Capital Outlay account for the remaining 49.6 percent of the FY10 budget.

County Government Reorganization

In FY09, the County Executive implemented a reorganization of Montgomery County Government designed to improve effectiveness, customer service, accessibility, and efficiency. As part of this reorganization, the Department of General Services was created to provide more coordinated government logistics and support functions. The Department of General Services includes the capital design and construction for County facilities; facilities maintenance and related services; real estate operations; printing, mail delivery and records management; and fleet management services all previously housed in the Department of Public Works and Transportation. In addition, the previous functions of the Office of Procurement and the Local Small Business Reserve Program previously located in the Department of Economic Development was consolidated into the Department of General Services. Due to the scale of operations, the Fleet Management Services budget is displayed separately. In the budget summary, FY08 actuals reflect the old organizational structure, while the FY09 budget, FY09 estimate, and FY10 budget figures reflect the new organizational structure.

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***
- ***Strong and Vibrant Economy***

DEPARTMENT PERFORMANCE MEASURES

This table presents the department's headline measures or submeasures that relate to multiple programs including projections from FY09 through FY11. These estimates reflect funding based on the FY09 savings plan, the FY10 budget, and funding for comparable service levels in FY11.

Measure	Actual FY07	Actual FY08	Estimated FY09	Projected FY10	Projected FY11
Headline Measures					
Hours Offline for Critical Building Systems	NA	NA	TBD	TBD	TBD
Percent of Projects Meeting Initial Design and Construction Costs	NA	NA	TBD	TBD	TBD
Percent of Projects Meeting Initial Design and Construction Timeline	NA	NA	TBD	TBD	TBD
Customer Service: DGS Function Average[1]	2.72	2.86	3.00	3.14	3.28
Environmental Stewardship: Carbon Footprint of Montgomery County Government (in metric ton carbon dioxide equivalents)[2]	161,857	158,558	165,184	TBD	TBD
Condition of Non-critical Building Systems and Aesthetics[3]	NA	NA	NA	TBD	TBD
Percent of Procurements Completed in Agreed Upon Time[4]	NA	NA	TBD	TBD	TBD
County Rent vs. Average Market Rent for Leased Space[5]	NA	NA	TBD	TBD	TBD

[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)

[2] Projections are under construction because of pending projects scheduled to come on line FY10 and FY11.

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[3] Survey is being developed to collect data for the above measures going forward.
[4] Percent of procurements completed on time and County rent vs. average market rent measures are under construction
[5] Measure is under construction

ACCOMPLISHMENTS AND INITIATIVES

- ***During the FY09 reorganization, a Quality Control Section was created in the Building Design and Construction Division. This Section oversees design and construction quality of County building projects. The Division also added a scheduler and cost estimator to better control project schedules and costs.***
- ***Increase fluorescent lightbulb recycling by 33% from an average rate of 60% to an average rate of 80%.***
- ***Streamline the process for purchasing parts costing less than $500 - the majority of parts purchased.***
- ***Productivity Improvements***
  - ***Digitize work processes saving paper, filing space and staff time.***

PROGRAM CONTACTS

Contact Jane M. Lawton of the Department of General Services at 240.777.6023 or Adam Damin of the Office of Management and Budget at 240.777.2794 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.

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	**2,174,110**	**27.9**
Technical Adj: Work year correction to properly reflect charges to capital budget	0	-1.0
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	229,440	1.0
FY10 CE Recommended	**2,403,550**	**27.9**

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 Maryland Department of Transportation 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 FY07	Actual FY08	Estimated FY09	Projected FY10	Projected FY11
Percent of Contract Dollars Awarded to Minority/Female/Disabled owned businesses	22.3	18.0	21	21	21

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	**508,770**	**5.0**
Shift: Manager III from Fleet Management (Motor Pool) to Department of General Services Director's Office (General Fund)	166,450	1.0
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-74,800	-1.2
FY10 CE Recommended	**600,420**	**4.8**

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.

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	**370,900**	**3.0**
Technical Adj: To reflect Information Technology Technicians approved in FY09	121,290	2.0
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	28,820	-1.0
FY10 CE Recommended	**521,010**	**4.0**

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 FY07	Actual FY08	Estimated FY09	Projected FY10	Projected FY11
Hours Offline for Critical Building Systems	NA	NA	TBD	TBD	TBD
Condition of Non-critical Building Systems and Aesthetics[1]	NA	NA	NA	TBD	TBD

[1] Survey is being developed to collect data for the above measures going forward.

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	**22,198,400**	**110.0**
Increase Cost: Operating Budget Impacts of the General Electric Facility	1,600,000	0.0
Increase Cost: Operating Budget Impacts of Facility Projects Completed in the Capital Improvements Program	430,030	0.0
Increase Cost: City of Rockville Restroom Maintenance (Reimbursed by the City)	7,000	0.0
Decrease Cost: Various supplies	-121,780	0.0
Decrease Cost: Miscellaneous operating expenses	-234,520	0.0
Decrease Cost: Increase Lapse	-246,310	-0.5
Decrease Cost: Various service contracts for County facilities reduced 6 percent	-1,434,090	0.0
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-425,950	-0.4
FY10 CE Recommended	**21,772,780**	**109.1**

Notes: The Miscellaneous adjustment reflects the shift of $90,940 (0.9 WY) from Facilities Management to the Environmental Stewardship program.

Environmental Stewardship

This newly developed program focuses on maintaining Montgomery County's leadership in environmentally sensitive maintenance, construction, and operational 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.

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	**0**	**0.0**
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	188,310	2.1
FY10 CE Recommended	**188,310**	**2.1**

Notes: The Miscellaneous adjustment reflects the shift of $97,370 (1.2 WY) from Administration and $90,940(0.9 WY) from Facilities Management to the Environmental Stewardship program.

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.

Program Performance Measures	Actual FY07	Actual FY08	Estimated FY09	Projected FY10	Projected FY11
Percentage of records requested/delivered on time[1]					
Percentage of print jobs completed on time					
Mail Cost Savings					

[1] Central duplicating measures will be developed

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	**6,583,470**	**31.0**
Increase Cost: Replacement of Printing, Mail, and Imaging Equipment per Schedule	144,380	0.0
Increase Cost: Annualization of FY09 Lapsed Positions	50,080	1.0
Increase Cost: Charge General Fund Work Years to the Central Duplicating Fund	22,020	0.2
Increase Cost: Records Management Warehouse Lease	20,000	0.0
Increase Cost: Retirement Adjustment	17,800	0.0
Increase Cost: Service Increment	17,660	0.0
Increase Cost: Motor Pool Rate Adjustment	15,720	0.0
Increase Cost: Equipment Maintenance	10,000	0.0
Increase Cost: Annualization of FY09 Service Increment	7,030	0.0
Increase Cost: Group Insurance Adjustment	6,120	0.0

	Expenditures	WYs
Decrease Cost: Elimination of One-Time Items Approved in FY09	-9,540	0.0
Decrease Cost: Savings realized through presorting mail	-83,300	0.0
Decrease Cost: Retirement Incentive Program (RIP) Savings	-93,860	-1.0
Decrease Cost: Paper Purchase	-179,090	0.0
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	0	0.2
FY10 CE Recommended	**6,528,490**	**31.4**

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 FY07	Actual FY08	Estimated FY09	Projected FY10	Projected FY11
County Rent vs. Average Market Rent for Leased Space[1]	NA	NA	TBD	TBD	TBD

[1] Measure is under construction

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	**906,490**	**7.0**
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	16,930	0.0
FY10 CE Recommended	**923,420**	**7.0**

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.

Program Performance Measures	Actual FY07	Actual FY08	Estimated FY09	Projected FY10	Projected FY11
Percent of Projects Meeting Initial Design and Construction Costs	NA	NA	TBD	TBD	TBD
Percent of Projects Meeting Initial Design and Construction Timeline	NA	NA	TBD	TBD	TBD

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	**149,130**	**0.5**
Shift: Division of Building Design and Construction costs to Capital Improvement Program	-142,200	-0.5
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-6,930	0.0
FY10 CE Recommended	**0**	**0.0**

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; Strategic Planning for the Director; and oversight of all personnel activities of the Department of General Services.

Program Performance Measures	Actual FY07	Actual FY08	Estimated FY09	Projected FY10	Projected FY11
Value of County contracts awarded to local small businesses ($000)[1]	8,039	12,078	15,000	20,000	20,000

[1] The Local Small Business Reserve Program began in January, 2006.

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	**2,013,480**	**13.3**
Increase Cost: Rent for Day Laborer Centers	25,400	0.0
Decrease Cost: Central Duplicating Recovery Charge	-440	0.0
Shift: Charge Workyears to Central Duplicating Fund	-22,020	-0.2
Decrease Cost: Realize Efficiencies from Digitizing Work Processes	-441,520	0.0
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	147,370	0.0
FY10 CE Recommended	**1,722,270**	**13.1**

Notes: The Miscellaneous adjustment reflects the Shift of $97,370 (1.2 WY) from Administration to the Environmental Stewardship program.

BUDGET SUMMARY

	Actual FY08	Budget FY09	Estimated FY09	Recommended FY10	% Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	0	10,509,130	10,932,870	10,771,370	2.5%
Employee Benefits	0	4,376,320	3,961,250	4,250,180	-2.9%
County General Fund Personnel Costs	***0***	***14,885,450***	***14,894,120***	***15,021,550***	***0.9%***
Operating Expenses	0	13,435,830	12,829,340	13,110,210	-2.4%
Capital Outlay	0	0	0	0	—
County General Fund Expenditures	***0***	***28,321,280***	***27,723,460***	***28,131,760***	***-0.7%***
PERSONNEL					
Full-Time	0	216	216	218	0.9%
Part-Time	0	6	6	6	—
Workyears	0.0	166.7	166.7	168.0	0.8%
REVENUES					
Strathmore: Maintenance & Utilities	0	250,000	250,000	250,000	—
Grey Courthouse: Maintenance	0	467,000	467,000	467,000	—
Solicitation Fee: Formal On-Line	0	3,210	3,210	3,210	—
Solicitation Fee: Formal	0	8,130	8,130	8,130	—
Protest Fees	0	1,000	1,000	1,000	—
Photocopying Fees	0	100	100	100	—
Information Requests	0	600	600	600	—
County General Fund Revenues	***0***	***730,040***	***730,040***	***730,040***	—
PRINTING AND MAIL INTERNAL SERVICE FUND					
EXPENDITURES					
Salaries and Wages	1,635,779	1,747,550	1,688,590	1,783,680	2.1%
Employee Benefits	601,668	681,170	573,710	671,890	-1.4%
Printing and Mail Internal Service Fund Personnel Costs	***2,237,447***	***2,428,720***	***2,262,300***	***2,455,570***	***1.1%***
Operating Expenses	3,654,857	3,746,750	3,728,590	3,526,540	-5.9%
Debt Service Other	158,815	0	0	0	—
Capital Outlay	18,662	408,000	352,500	546,380	33.9%
Printing and Mail Internal Service Fund Expenditures	***6,069,781***	***6,583,470***	***6,343,390***	***6,528,490***	***-0.8%***
PERSONNEL					
Full-Time	0	31	31	30	-3.2%
Part-Time	0	1	1	1	—
Workyears	0.0	31.0	31.0	31.4	1.3%
REVENUES					
Mail Revenues	0	2,389,150	2,389,150	2,272,510	-4.9%
Print Revenues	0	3,229,350	3,229,350	3,489,360	8.1%
Other	0	116,730	116,730	0	—
Imaging/Archiving	0	914,590	914,590	911,180	-0.4%
Printing and Mail Internal Service Fund Revenues	***0***	***6,649,820***	***6,649,820***	***6,673,050***	***0.3%***
DEPARTMENT TOTALS					
Total Expenditures	**6,069,781**	**34,904,750**	**34,066,850**	**34,660,250**	**-0.7%**
Total Full-Time Positions	**0**	**247**	**247**	**248**	**0.4%**
Total Part-Time Positions	**0**	**7**	**7**	**7**	—
Total Workyears	***0.0***	***197.7***	***197.7***	***199.4***	***0.9%***
Total Revenues	***0***	***7,379,860***	***7,379,860***	***7,403,090***	***0.3%***

FY10 RECOMMENDED CHANGES

	Expenditures	WYs
COUNTY GENERAL FUND		
FY09 ORIGINAL APPROPRIATION	**28,321,280**	**166.7**
Other Adjustments (with no service impacts)		
Increase Cost: Operating Budget Impacts of the General Electric Facility [Division of Facilities Management]	1,600,000	0.0
Increase Cost: Operating Budget Impacts of Facility Projects Completed in the Capital Improvements Program [Division of Facilities Management]	430,030	0.0
Shift: Manager III from Fleet Management (Motor Pool) to Department of General Services Director's Office (General Fund) [Office of Business Relations and Compliance]	166,450	1.0
Technical Adj: To reflect Information Technology Technicians approved in FY09 [Automation]	121,290	2.0
Increase Cost: Service Increment	92,990	0.0
Increase Cost: Retirement Adjustment	86,530	0.0
Increase Cost: Group Insurance Adjustment	44,890	0.0
Increase Cost: Rent for Day Laborer Centers [Administration]	25,400	0.0
Increase Cost: City of Rockville Restroom Maintenance (Reimbursed by the City) [Division of Facilities Management]	7,000	0.0
Increase Cost: Printing and Mail Adjustments	3,440	0.0
Technical Adj: Work year correction to properly reflect charges to capital budget [Office of Procurement]	0	-1.0
Technical Adj: Workyear adjustment due to rounding	0	0.1
Decrease Cost: Central Duplicating Recovery Charge [Administration]	-440	0.0
Shift: Charge Workyears to Central Duplicating Fund [Administration]	-22,020	-0.2
Decrease Cost: Motor Pool Rate Adjustment	-53,850	0.0
Increase Cost: Annualization of FY09 Personnel Costs	-70,810	0.4
Decrease Cost: Various supplies [Division of Facilities Management]	-121,780	0.0
Shift: Division of Building Design and Construction costs to Capital Improvement Program [Building Design and Construction]	-142,200	-0.5
Decrease Cost: Miscellaneous operating expenses [Division of Facilities Management]	-234,520	0.0
Decrease Cost: Increase Lapse [Division of Facilities Management]	-246,310	-0.5
Decrease Cost: Realize Efficiencies from Digitizing Work Processes [Administration]	-441,520	0.0
Decrease Cost: Various service contracts for County facilities reduced 6 percent [Division of Facilities Management]	-1,434,090	0.0
FY10 RECOMMENDED:	**28,131,760**	**168.0**
PRINTING AND MAIL INTERNAL SERVICE FUND		
FY09 ORIGINAL APPROPRIATION	**6,583,470**	**31.0**
Other Adjustments (with no service impacts)		
Increase Cost: Replacement of Printing, Mail, and Imaging Equipment per Schedule [Central Duplicating, Imaging, Archiving & Mail Svcs.]	144,380	0.0
Increase Cost: Annualization of FY09 Lapsed Positions [Central Duplicating, Imaging, Archiving & Mail Svcs.]	50,080	1.0
Increase Cost: Charge General Fund Work Years to the Central Duplicating Fund [Central Duplicating, Imaging, Archiving & Mail Svcs.]	22,020	0.2
Increase Cost: Records Management Warehouse Lease [Central Duplicating, Imaging, Archiving & Mail Svcs.]	20,000	0.0
Increase Cost: Retirement Adjustment [Central Duplicating, Imaging, Archiving & Mail Svcs.]	17,800	0.0
Increase Cost: Service Increment [Central Duplicating, Imaging, Archiving & Mail Svcs.]	17,660	0.0
Increase Cost: Motor Pool Rate Adjustment [Central Duplicating, Imaging, Archiving & Mail Svcs.]	15,720	0.0
Increase Cost: Equipment Maintenance [Central Duplicating, Imaging, Archiving & Mail Svcs.]	10,000	0.0
Increase Cost: Annualization of FY09 Service Increment [Central Duplicating, Imaging, Archiving & Mail Svcs.]	7,030	0.0
Increase Cost: Group Insurance Adjustment [Central Duplicating, Imaging, Archiving & Mail Svcs.]	6,120	0.0
Technical Adj: Due to Rounding	0	0.2
Decrease Cost: Elimination of One-Time Items Approved in FY09 [Central Duplicating, Imaging, Archiving & Mail Svcs.]	-9,540	0.0
Decrease Cost: Savings realized through presorting mail [Central Duplicating, Imaging, Archiving & Mail Svcs.]	-83,300	0.0
Decrease Cost: Retirement Incentive Program (RIP) Savings [Central Duplicating, Imaging, Archiving & Mail Svcs.]	-93,860	-1.0
Decrease Cost: Paper Purchase [Central Duplicating, Imaging, Archiving & Mail Svcs.]	-179,090	0.0
FY10 RECOMMENDED:	**6,528,490**	**31.4**

PROGRAM SUMMARY

Program Name	FY09 Approved Expenditures	FY09 Approved WYs	FY10 Recommended Expenditures	FY10 Recommended WYs
Office of Procurement	2,174,110	27.9	2,403,550	27.9
Office of Business Relations and Compliance	508,770	5.0	600,420	4.8
Automation	370,900	3.0	521,010	4.0
Division of Facilities Management	22,198,400	110.0	21,772,780	109.1
Environmental Stewardship	0	0.0	188,310	2.1
Central Duplicating, Imaging, Archiving & Mail Svcs.	6,583,470	31.0	6,528,490	31.4
Real Estate Program	906,490	7.0	923,420	7.0
Building Design and Construction	149,130	0.5	0	0.0
Administration	2,013,480	13.3	1,722,270	13.1
Total	**34,904,750**	**197.7**	**34,660,250**	**199.4**

CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY09 Total$	FY09 WYs	FY10 Total$	FY10 WYs
COUNTY GENERAL FUND					
CIP	CIP	367,350	2.8	5,668,360	47.1
Economic Development	County General Fund	152,830	0.0	0	0.0
Environmental Protection	Water Quality Protection Fund	222,240	2.0	238,010	2.0
Fleet Management Services	Motor Pool Internal Service Fund	260,240	0.8	281,840	0.8
Liquor Control	Liquor Control	303,300	0.5	327,790	0.5
Parking District Services	Bethesda Parking District	4,490	0.0	5,010	0.1
Parking District Services	Silver Spring Parking District	4,490	0.1	5,010	0.1
Solid Waste Services	Solid Waste Collection	36,660	0.1	0	0.0
Solid Waste Services	Solid Waste Disposal	44,910	0.5	0	0.0
Transit Services	Mass Transit	324,700	0.3	10,020	0.1
Utilities	County General Fund	173,430	0.0	195,060	0.0
Total		**1,894,640**	**7.1**	**6,731,100**	**50.7**

FUTURE FISCAL IMPACTS

Title	CE REC. FY10	FY11	FY12	FY13	FY14	FY15
	($000's)					
This table is intended to present significant future fiscal impacts of the department's programs.						
COUNTY GENERAL FUND						
Expenditures						
FY10 Recommended	**28,132**	**28,132**	**28,132**	**28,132**	**28,132**	**28,132**
No inflation or compensation change is included in outyear projections.						
Labor Contracts	**0**	**46**	**46**	**46**	**46**	**46**
These figures represent the estimated cost of service increments and associated benefits.						
Annualization of GE Facility Maintenance	**0**	**717**	**717**	**717**	**717**	**717**
CIP Maintenance Operating Budget Impacts	**0**	**31**	**302**	**575**	**559**	**559**
Subtotal Expenditures	***28,132***	***28,926***	***29,197***	***29,470***	***29,454***	***29,454***
PRINTING AND MAIL INTERNAL SERVICE FUND						
Expenditures						
FY10 Recommended	**6,528**	**6,528**	**6,528**	**6,528**	**6,528**	**6,528**
No inflation or compensation change is included in outyear projections.						
Labor Contracts	**0**	**9**	**9**	**9**	**9**	**9**
These figures represent the estimated cost of service increments and associated benefits.						
Master Lease Payments	**0**	**-37**	**-80**	**-203**	**0**	**0**
Master Lease Payments for Electronic Records Management System	**0**	**597**	**597**	**597**	**597**	**597**
Items approved for a one-time funding for hardware and software.						
Replacement of Printing, Mail, and Imaging Equipment per Schedule	**0**	**-462**	**-56**	**-239**	**-46**	**-402**
Reflects projected need for capital outlay replacement on an annual basis.						
Retiree Health Insurance Pre-Funding	**0**	**112**	**168**	**181**	**194**	**208**
These figures represent the estimated cost of the multi-year plan to pre-fund retiree health insurance costs for the County's workforce.						

Title	CE REC. FY10	FY11	FY12	($000's) FY13	FY14	FY15
Subtotal Expenditures	***6,528***	***6,747***	***7,167***	***6,874***	***7,283***	***6,941***

If you have any questions or comments relating to the Montgomery County Government Performance Dashboard, please contact CountyStat at countystat.montgomery@montgomerycountymd.gov

The Selected parameters are:
All Result Areas;
All Measure Types;
Department : GENERAL SERVICES ;

Detail	MeasureText	Current Value	Previous Value	Year	Performance
Detail	Environmental Stewardship – Carbon footprint from Facilities and Fleet Operations (in million metric tons carbon dioxide equivalent)	0.159	0.162	2008	
Detail	Facilities Maintenance – Number of hours offline for critical building systems such as heating, ventilation, and air conditioning	NA	NA	2008	
Detail	Facilities – Customer rating of the aesthetics and comfort of County-maintained buildings	NA	NA	2008	
Detail	Building Design and Construction – Percent of projects meeting initial design and construction timeline	NA	NA	2008	
Detail	Building Design and Construction – Percent of projects meeting initial design and construction costs	NA	NA	2008	
Detail	Real Estate – Average amount Montgomery County pays in rent (in dollars per square foot)	$26.48	NA	2008	
Detail	Fleet Maintenance and Operations – Mean distance between failure: Transit equipment (in miles)	NA	NA	2008	
Detail	Fleet Maintenance and Operations – Mean distance between failure: Heavy equipment (in miles)	NA	NA	2008	
Detail	Fleet Maintenance and Operations – Mean distance between failure: Public safety light equipment (in miles)	NA	NA	2008	
Detail	Fleet Maintenance and Operations – Mean distance between failure: Administrative light equipment (in miles)	NA	NA	2008	
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The Selected parameters are:
All Result Areas;
All Measure Types;
Department : GENERAL SERVICES ;

Detail	MeasureText	Current Value	Previous Value	Year	Performance
Detail	Fleet Maintenance and Operations – Turnaround time, average amount of time equipment is unavailable for operations during each shop visit: Transit equipment (in days)	5.9	6.9	2008	↑
Detail	Fleet Maintenance and Operations – Turnaround time, average amount of time equipment is unavailable for operations during each shop visit: Heavy equipment (in days)	8.8	12.3	2008	↑
Detail	Fleet Maintenance and Operations – Turnaround time, average amount of time equipment is unavailable for operations during each shop visit: Public safety light equipment (in days)	2.8	2.1	2008	↔
Detail	Fleet Maintenance and Operations – Turnaround time, average amount of time equipment is unavailable for operations during each shop visit: Administrative light equipment (in days)	3.2	4.6	2008	↑
Detail	Average Customer Satisfaction Score - Average score given to all Department of General Services operations in a survey of managers across Montgomery County government	2.86	2.72	2008	↑

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PERFORMANCE MEASURES

This table presents the department's performance data estimates and projections from FY08 through FY10 if there are no changes in funding.

Measure	Actual FY06	Actual FY07	Estimated FY08	Approved FY09	Projected FY10
Percentage of building service requests completed	96	98	98	96	96
Value of County contracts awarded to local small businesses ($000)[1]	2,754	8,039	12,078	15,000	20,000
Percentage of Minorities, Females & Disabled awards relative to proposals submitted	15	20	10	10	10
Percentage of total County contracting dollars awarded to businesses owned by minorities, females or disabled persons[2]	19.1	22.3	21.0	21.0	21.0
Percentage of DGS staff time transacting purchase orders over $25,000[3]	68.9	66.4	62.0	60.0	57.0
Average days for processing Invitation for Bids[4]	111	105	118	118	118
Average days for processing construction contracts[5]	170	91	140	101	91
Average days for processing Requests for Proposals[6]	209	191	189	181	174
Percentage of customer-generated service requests completed by Facilities	96.0	98.0	98.0	98.0	98.0
Value of deferred maintenance ($ million)[7]	23	25.5	27.9	30.4	32.8
Implementation rate for building projects in the Capital Budget[8]	83%	42%	50%	50%	50%

[1]The Local Small Business Reserve Program began in January, 2006.
[2]For FY06, this percentage is based on contract awards that are over $65,000. For FY07, the percentage is based on awards over $50,000.
[3]The level of purchase order activity is a workload indicator of staff responsibility for tranactions of limited dollar value.
[4]Purchases valued at over $25,000 are made formally through Invitations for Bid requesting prices.
[5]Tracks fulfillment of contractual requirements for construction proposals.
[6]A competitive sealed proposal is initiated through the Request for Proposal process to solicit proposals.
[7]Represents maintenance costs to fix deteriorating facilities.
[8]The implementation rate relates to Capital Improvements Program building projects.

ACCOMPLISHMENTS AND INITIATIVES

- ***Launch a series of "Evening Exchange" outreach meetings in conjunction with Community Use of Public Facilities to encourage informative procurement workshops for vendors on upcoming Countywide construction projects, with special emphasis on transportation and affordable housing. This initiative will encourage mentoring by featuring successful prime and subcontractor panel discussions and will focus on affordable housing in an inclusive community while fostering healthy and sustainable neighborhoods.***

- ***The Office of Procurement will re-establish departmental incentive contests based on dollars and volume of recycled products purchased.***

- ***Productivity Improvements***

  - ***Installation of new software for Electronic Records Management Countywide across all departments and agencies.***

  - ***Developed a plan for cross-training and position de-specialization to increase customer satisfaction with solicitation and bid queries and shorten credit card transaction processing time.***

  - ***The new full services imaging center is up and running. There are currently 3 production scanners running 8 hours each daily.***

PROGRAM CONTACTS

Contact Jane M. Lawton of the Department of General Services at 240.777.6023 or Alexandra Shabelski of the Office of Management and Budget at 240.777.2785 for more information regarding this department's operating budget.

PROGRAM DESCRIPTIONS

Procurement of Goods and Services

The purpose of this program is 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 specific procurements to maintain a competitive and fair procurement process and to ensure that procurement requests are processed according to the County Code and the Procurement Regulations. Program staff also helps vendors understand the County's procurement process and procedures.

Assistance with contracts is provided to coordinate contract administration through guidance and training of department contract administrators. 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.

MONTGOMERY COUNTY COUNCIL
ROCKVILLE, MARYLAND

ROGER BERLINER
COUNCILMEMBER
DISTRICT 1

February 20, 2009

Mr. David Dise, Director
Department of General Services
255 Rockville Pike Suite 180
Rockville, MD 20850

Dear Mr. Dise:

I have been gratified by the positive impact your leadership has had on our County's procurement and contracting practices since you assumed the helm of the Department of General Services. We are a better County because of your clear vision and direct nature.

I am writing now to ask that you apply that same vision and leadership to an area that you and I have discussed on a number of occasions, an area that our County is surprisingly behind the curve on, rather than on the leading edge: green procurement. Our current regulations that require the county to consider the environmental implications and environmental costs of its purchasing decisions are extraordinarily limited in nature. Indeed, our focus is almost exclusively on purchasing some products made from recycled materials and the use of environmentally friendly cleaning products. By contrast, other counties across the country take a much more comprehensive approach by looking at, among other things, all phases of a product's life cycle.

We need to ensure that the products that the county buys are consistent with the values our County seeks to support through the work of the Sustainability Working Group and our commitment to being a green leader. Indeed, your active participation on the Sustainability Working Group was critical to the success of its initial product, and my hope going forward is that you will focus on ensuring that our County's procurement and contracting practices are consistent with those values.

While it is often said that being "green" can be costly, it is also true that there are opportunities to make money by being green. During the Council's February 3rd public hearing on ways in which we can achieve critically needed budget savings, David Sault of PS Supply testified that their business contracts with three County agencies for the purchase of recycled laser printer cartridges. According to this business owner, these three agencies alone save $315,000 annually by buying recycled rather than new

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cartridges thus saving between 30 - 60 % of the cost of buying new. He believes that using these recycled laser cartridges could save the County a million dollars. In addition, these cartridges are virtually indestructible so once in a land fill they will live forever. We can ill afford to waste this kind of money on purchasing and on dealing with the waste.

I am enclosing for your review the green procurement requirements of Los Angeles County. It is quite comprehensive. The National Association of Counties could provide you with other templates for a green procurement policy. I would request that you review such approaches and report back to the Transportation, Infrastructure, Energy & Environment Committee on your conclusions and recommendations as to how Montgomery County should update its procurement to support our sustainability objectives.

Sincerely,

Roger Berliner
Montgomery County Council
District 1