



# Revised FY2019 Procurement Annual Report

**Presented By:**

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**City Of Rockville**  
**Procurement Division**  
**October 2020**



# Introduction

- The original report was presented to the Mayor and Council on January 27, 2020.
- This report has been revised based on some recommendations from the Financial Advisory Board.
- This report documents the activities from July 1, 2018 to June 30, 2019



# Highlights

- This revised FY2019 report provides accurate data on fiscal year spending through Master Agreements. This revision reduced the overall procurement spend from \$86.2 million in the initial report to the current \$56.6 million.
- Decrease in percentage of competitive procurement spend from FY2017 to FY2019 mainly due to a decrease in spending through Invitations for Bids (IFB) and an increase in spending through non-competitive cooperative (rider) contracts and contracts with public entities.



# Overview

- Revised FY2019 Summary
- Revised Purchase Order Amount by Procurement Method and Department
- Revised Master Agreement Amount by Procurement Method and Department
- Revised percentages of Competitive vs. Non-Competitive Procurement Methods
- Revised Change Order information for Purchase Orders and Master Agreements
- FY2019 Expenditures by Type for Purchase Orders and Master Agreements
- Revised Top Vendor Spend for FY18 and FY19
- Total GAX and P-card Spend
- \*NEW\* Emergency and Sole Source Procurements >\$30,000
- Minority, Female, and Disabled (MFD) Program Outreach
- Other Items
- Glossary of Terms



# Revised FY2019 Summary

Department	Total Expenditures	Purchase Orders (PO)	GAX Payments	P-card Payments	Master Agreements (MA)
City Attorney	488,545	12,972	22,252	12,930	440,391
City Manager's Office	3,766,080	2,680,161	68,287	528,625	489,007
Community Planning and Development Services	573,298	499,484	19,200	51,219	3,395
Finance	1,200,206	513,257	77,489	13,504	595,956
Human Resources	438,630	170,375	75,968	73,634	118,653
Information & Technology	1,717,537	1,589,538	18,822	67,313	41,864
Mayor and Council/CCDCO	314,679	181,638	84,641	35,016	13,384
Police	2,306,222	415,414	152,876	104,155	1,633,777
Public Works	25,297,953	9,742,536	245,594	823,081	14,486,742
Recreation & Parks	13,533,571	6,878,654	567,940	823,196	5,263,781
Non-departmental	7,007,030	-	118,911	-	6,888,119
<b>TOTAL</b>	<b>*56,643,751</b>	<b>*22,684,029</b>	<b>1,451,980</b>	<b>2,532,673</b>	<b>*29,975,069</b>

\*Indicates new totals based on revised purchase order and master agreement data



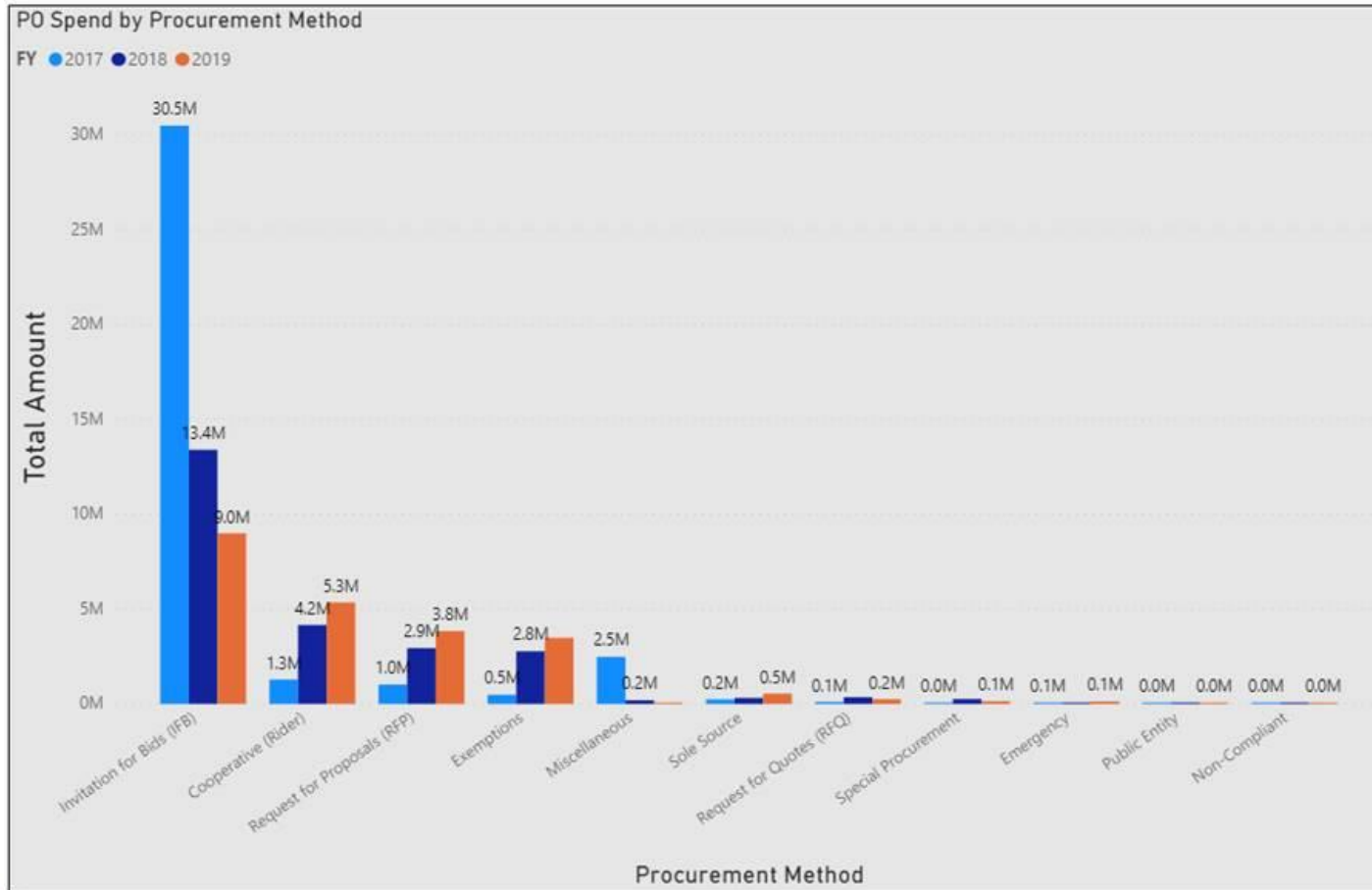
# Revised Purchase Order Amount by Procurement Method

*This table represents the spend amount for purchase orders based on procurement methods for FY2017 thru FY2019. Purchase orders serve as an encumbrance of available funds and are often the result of a procurement process. The highest spend by method for FY19 is Invitation for Bids (IFB), with the least spend by method being contracts with public entities.*

<b>Method</b>	<b>2017</b>	<b>No. of Actions</b>	<b>2018</b>	<b>No. of Actions</b>	<b>2019</b>	<b>No. of Actions</b>
<b>Emergency</b>	60,822	4	40,913	8	125,415	9
<b>Exemptions</b>	477,032	114	2,772,915	578	3,484,184	550
<b>Invitation for Bids (IFB)</b>	30,484,832	1421	13,398,582	315	8,990,100	310
<b>Miscellaneous</b>	2,479,391	200	191,510	25	28,895	7
<b>Public Entity</b>	39,497	3	4,271	1	18,550	4
<b>Request for Proposals (RFP)</b>	1,023,655	68	2,942,214	279	3,839,961	382
<b>Request for Quotes (RFQ)</b>	102,124	23	353,528	96	245,937	71
<b>Cooperative (Rider)</b>	1,281,875	171	4,156,977	444	5,347,328	501
<b>Sole Source</b>	235,200	7	312,290	29	540,984	25
<b>Special Procurement</b>	49,630	4	254,022	34	140,647	102
<b>Non-Compliant</b>	5,025	1	24,337	6	15,956	2
<b>TOTAL</b>	<b>36,239,083</b>	<b>2016</b>	<b>24,451,559</b>	<b>1815</b>	<b>22,777,957</b>	<b>1963</b>



# Revised Purchase Order Amount by Procurement Method



Total # Actions FY '17  
2016

Total Amount  
36M

Total # Actions FY '18  
1815

Total Amount  
24M

Total # Actions FY '19  
1963

Total Amount  
23M



# Revised Purchase Order Amount Issued by Department

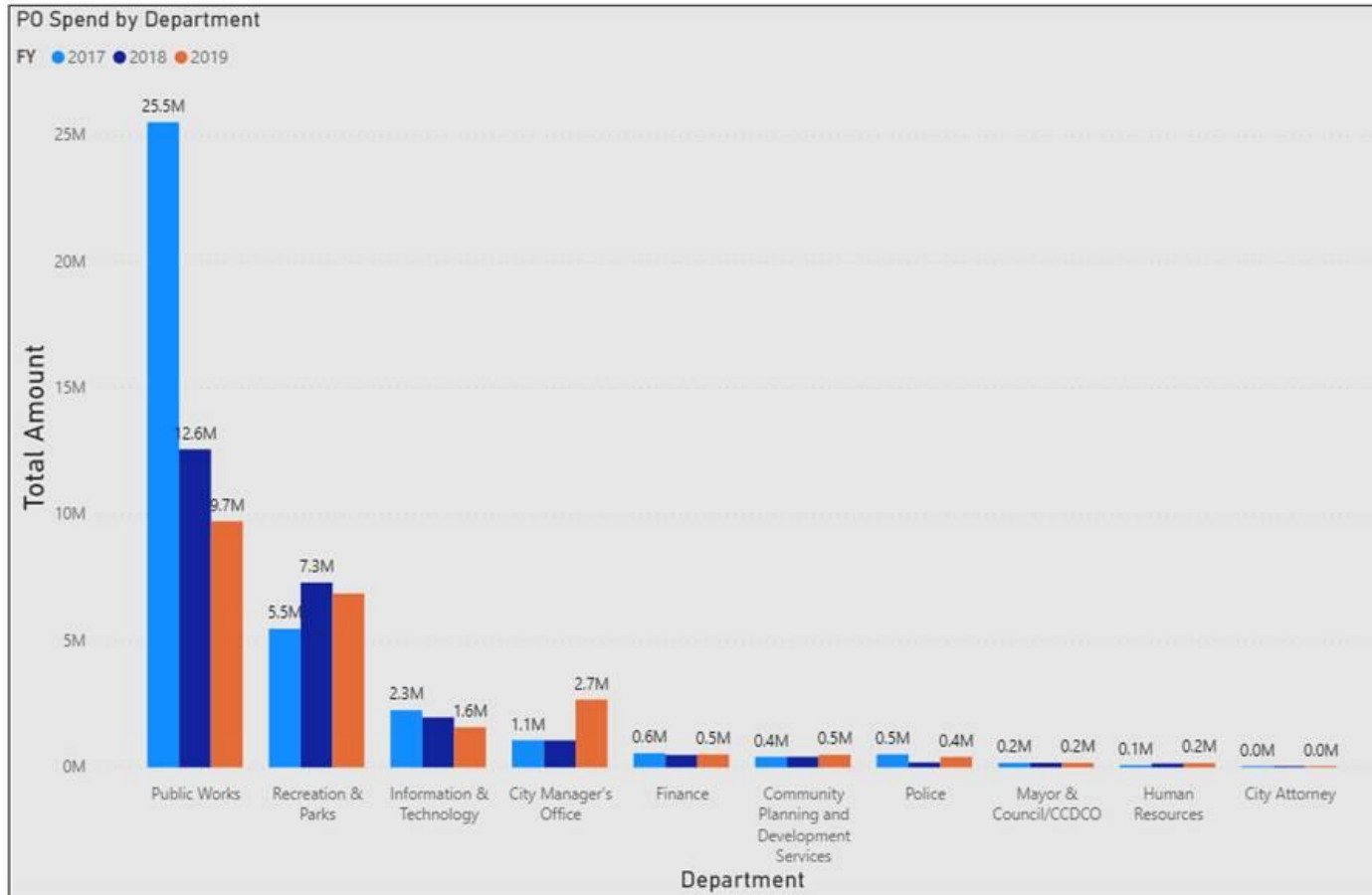
*This table represents the spend amount for purchase orders by City department for FY2017 thru FY2019. The high dollar amounts represented by Public Works and Recreation & Parks are mostly based on Construction-related projects initiated from a formal procurement process.*

<b>Department</b>	<b>2017</b>	<b>No. of Actions</b>	<b>2018</b>	<b>No. of Actions</b>	<b>2019</b>	<b>No. of Actions</b>
<b>City Attorney</b>	4,575	13	10,073	18	12,972	16
<b>City Manager's Office</b>	1,075,208	111	1,069,893	83	2,680,161	122
<b>Community Planning and Development Services</b>	418,036	63	419,303	57	499,484	88
<b>Finance</b>	562,966	53	491,458	48	513,257	34
<b>Human Resources</b>	88,158	28	154,059	40	170,375	51
<b>Information &amp; Technology</b>	2,262,726	487	1,979,069	406	1,589,538	429
<b>Mayor &amp; Council/CCDCO</b>	176,344	35	180,062	29	181,638	41
<b>Police</b>	516,570	19	194,105	25	415,414	35
<b>Public Works</b>	25,531,849	656	12,588,490	588	9,742,536	545
<b>Recreation &amp; Parks</b>	5,484,142	578	7,314,172	554	6,878,654	615
<b>TOTAL</b>	<b>36,120,574</b>	<b>2,043</b>	<b>24,400,684</b>	<b>1,848</b>	<b>22,684,029</b>	<b>1,976</b>





# Revised Purchase Order Amount Issued by Department



Total # Actions FY '17  
2043

Total Amount  
36M

Total # Actions FY '18  
1848

Total Amount  
24M

Total # Actions FY '19  
1976

Total Amount  
23M



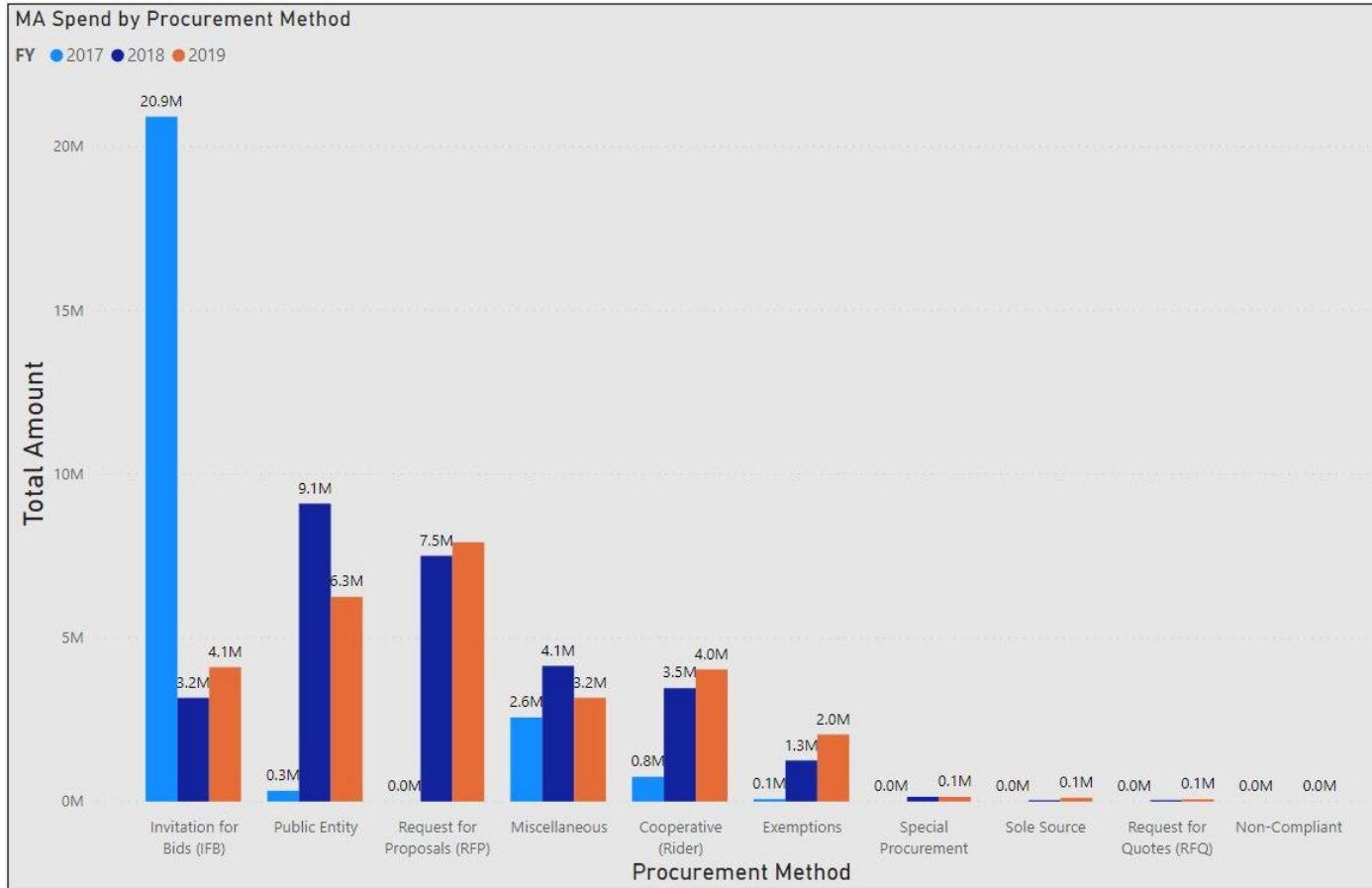
# Revised Master Agreement Amount by Method

*This table represents the spend amount for master agreements by procurement method for FY2017 thru FY2019. Master agreements are often the result of a completed procurement process; however, funds are not encumbered until time of payment. The high dollar amounts represented for FY19 are based on payments relating to the Administration of the City's benefits and the City's Workers' Compensation insurance, which was initiated by the RFP process.*

<b>Method</b>	<b>2017</b>	<b>No. of Actions</b>	<b>2018</b>	<b>No. of Actions</b>	<b>2019</b>	<b>No. of Actions</b>
<b>Exemptions</b>	73,720	36	1,252,198	309	2,047,277	244
<b>Invitation for Bids (IFB)</b>	20,921,113	1090	3,165,222	531	4,103,001	448
<b>Miscellaneous</b>	2,567,661	137	4,142,030	149	3,167,134	120
<b>Public Entity</b>	327,797	30	9,100,848	50	6,250,271	82
<b>Request for Proposals (RFP)</b>	-	-	7,505,928	39	7,916,907	62
<b>Request for Quotes (RFQ)</b>	-	-	42,050	32	65,935	44
<b>Cooperative (Rider)</b>	753,339	106	3,460,428	528	4,033,746	784
<b>Sole Source</b>	-	-	38,148	12	114,889	15
<b>Special Procurement</b>	-	-	142,680	32	141,792	46
<b>Non-Compliant</b>	-	-	-	-	-	-
<b>TOTAL</b>	24,643,630	1399	28,849,532	1682	27,840,952	1845



# Revised Master Agreement Amount by Procurement Method



Total # Actions FY '17  
1399

Total Amount  
25M

Total # Actions FY '18  
1682

Total Amount  
29M

Total # Actions FY '19  
1845

Total Amount  
28M



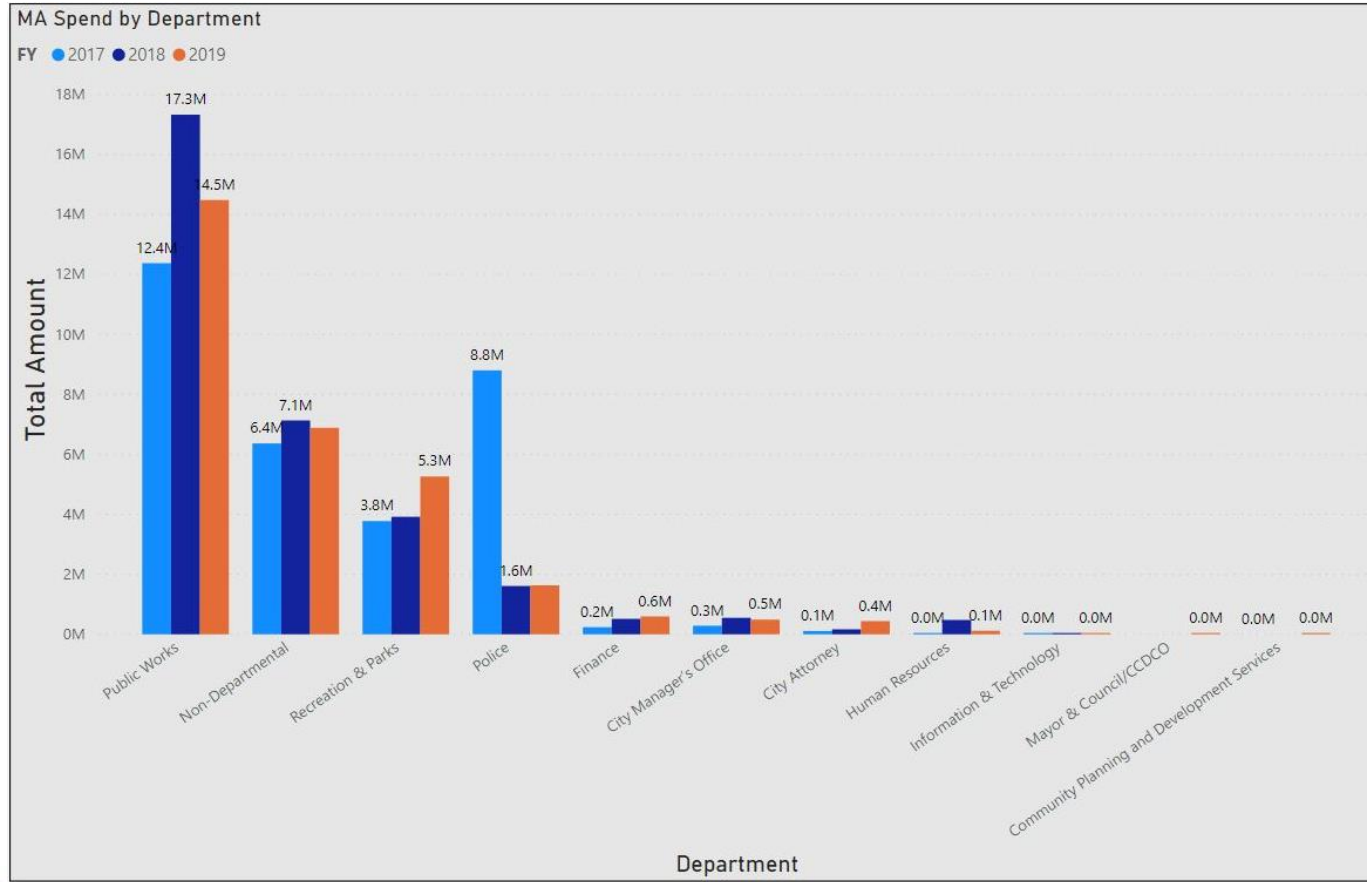
# Revised Master Agreement Amount Issued by Department

*This table represents the spend amount for master agreements by City department for FY2017 thru FY2019. The high dollar amounts represented by Public Works and Recreation & Parks are mostly based on Construction-related projects, fuel, utilities and materials initiated from a procurement process.*

<b>Department</b>	<b>2017</b>	<b>No. of Actions</b>	<b>2018</b>	<b>No. of Actions</b>	<b>2019</b>	<b>No. of Actions</b>
<b>City Attorney</b>	109,770	22	164,941	33	440,391	23
<b>City Manager's Office</b>	285,244	66	549,439	105	489,007	75
<b>Community Planning and Development Services</b>	-	-	-	-	3,395	3
<b>Finance</b>	236,467	38	514,961	47	595,956	50
<b>Human Resources</b>	27,083	22	478,120	631	118,653	28
<b>Information &amp; Technology</b>	39,338	19	28,683	93	41,864	113
<b>Mayor &amp; Council/CCDCO</b>	-	-	-	-	13,384	14
<b>Police</b>	8,804,060	159	1,611,036	165	1,633,777	168
<b>Public Works</b>	12,379,975	554	17,333,258	648	14,486,742	827
<b>Recreation &amp; Parks</b>	3,776,080	731	3,920,121	807	5,263,781	893
<b>Non-Departmental</b>	6,367,049	57	7,134,057	56	6,888,119	58
<b>TOTAL</b>	<b>32,025,066</b>	<b>1668</b>	<b>31,734,616</b>	<b>2585</b>	<b>29,975,069</b>	<b>2252</b>



# Revised Master Agreement Amount Issued by Department



Total # Actions FY '17  
1668

Total Amount  
32M

Total # Actions FY '18  
2585

Total Amount  
32M

Total # Actions FY '19  
2252

Total Amount  
30M



# Revised Competitive vs. Non-Competitive Procurement Methods

Provided is a comparison of competitive and non-competitive percentages based on procurement spend for FY2017 thru FY2019. The highest percentage of competitive procurements include Invitation for Bids (IFB), which is the preferred method. The highest number of non-competitive procurements include cooperative (rider) contracts, exempt procurements, and contracts with public entities.

The significant decrease in percentage of Invitation for Bids is due to large projects conducted in FY17 for Public Works, Recreation & Parks, and IT. Some examples include the Improvements to the King Farm Dairy Barns, F. Scott Fitzgerald Theater Roof Beam Reinforcement, Pedestrian Signals, and the Redundant Internet and Fiber Lines project.

## Competitive Procurements

Procurement Method	FY2017	FY2018	FY2019
Invitation for Bids (IFB)	84%	31%	26%
Request for Proposals (RFP)	3%	19%	23%
Request for Quotes (RFQ)	<1%	1%	1%
<b>Total</b>	<b>87%</b>	<b>51%</b>	<b>50%</b>

## Non-competitive Procurements

Procurement Method	FY2017	FY2018	FY2019
Cooperative (Rider)	3%	14%	19%
Exempt	1%	8%	11%
Sole Source	<1%	1%	1%
*Misc.	8%	8%	6%
Emergency	<1%	<1%	<1%
Special Procurement	<1%	1%	1%
Public Entity	1%	17%	12%
Non-Compliant	<1%	<1%	<1%
<b>Total</b>	<b>13%</b>	<b>49%</b>	<b>50%</b>

\*Miscellaneous spend includes purchases <\$3,000 that may be processed via purchase order instead of by P-card or GAX.



# PO Change Orders Issued by Department (Revised)

*This table provides the spend amount and number of transactions for all change orders/modifications to purchase orders that were initiated by each City department for FY2017 thru FY2019. In FY19, the majority of change order/modification dollars and transactions were initiated by Public Works and Recreation & Parks and is mostly associated to unforeseen changes as it relates to construction projects and materials that resulted from a procurement process.*

Department	2017	No. of Actions	2018	No. of Actions	2019	No. of Actions
City Manager's Office	4,015	13	-	-	43,941	6
Community Planning & Development Services	57,044	6	2,753	1	42,932	6
Finance	17,244	4	1,814	1	34,365	1
Human Resources	-	-	7,937	3	23,466	4
Information & Technology	11,017	10	4,110	6	9,681	7
Mayor & Council/CCDCO	-	-	-	-	15,000	2
Public Works	6,521,424	54	591,586	34	678,611	24
Recreation & Parks	1,219,680	38	337,980	20	474,201	42
<b>Total</b>	<b>7,830,425</b>	<b>125</b>	<b>946,181</b>	<b>69</b>	<b>1,322,196</b>	<b>92</b>



# MA Change Orders Issued by Department (Revised)

*This table provides the spend amount and number of transactions for all change orders/modifications to master agreements that were initiated by each City department for FY2017 thru FY2019. In FY19, the majority of change order/modification dollars and transactions were initiated by Recreation & Parks and are associated with support of various programs within the City (e.g. Montgomery County facility rentals, theatre tickets, senior center trips/activities, etc.) that resulted from a procurement process.*

Department	2017	No. of Actions	2018	No. of Actions	2019	No. of Actions
City Attorney	30,000	2	105,000	3	397,466	6
City Manager's Office	159,219	9	380,820	14	323,175	11
Finance	140,000	3	417,052	8	490,158	11
Human Resources	-	-	448,600	11	88,500	3
Information & Technology	24,004	4	-	-	-	-
Police	7,300,129	16	28,255	2	56,510	4
Public Works	577,515	10	1,046,982	17	169,184	10
Recreation & Parks	225,500	11	207,000	6	645,640	20
<b>Total</b>	<b>8,456,366</b>	<b>55</b>	<b>2,633,708</b>	<b>61</b>	<b>2,170,633</b>	<b>65</b>





# FY2019 Top Expenditures by Type Purchase Orders

*This table provides the spend amount of the top expenditures based on contract type or commodity by purchase orders for FY2019. This table does not reflect all of the object classes or categories.*

<b>Category</b>	<b>Amount</b>
Payments/Contractors-CIP Proj	9,000,773
Planning Design CIP	1,965,583
Software Maintenance and Subscriptions	1,070,918
Consultants	1,062,351
Major Repairs	620,216
Contracted Svcs-Grounds	590,145
Contract Repairs	500,106
Computer Equipment	292,161
Furniture and Equipment <5K	250,014



# FY2019 Top Expenditures by Type Master Agreements

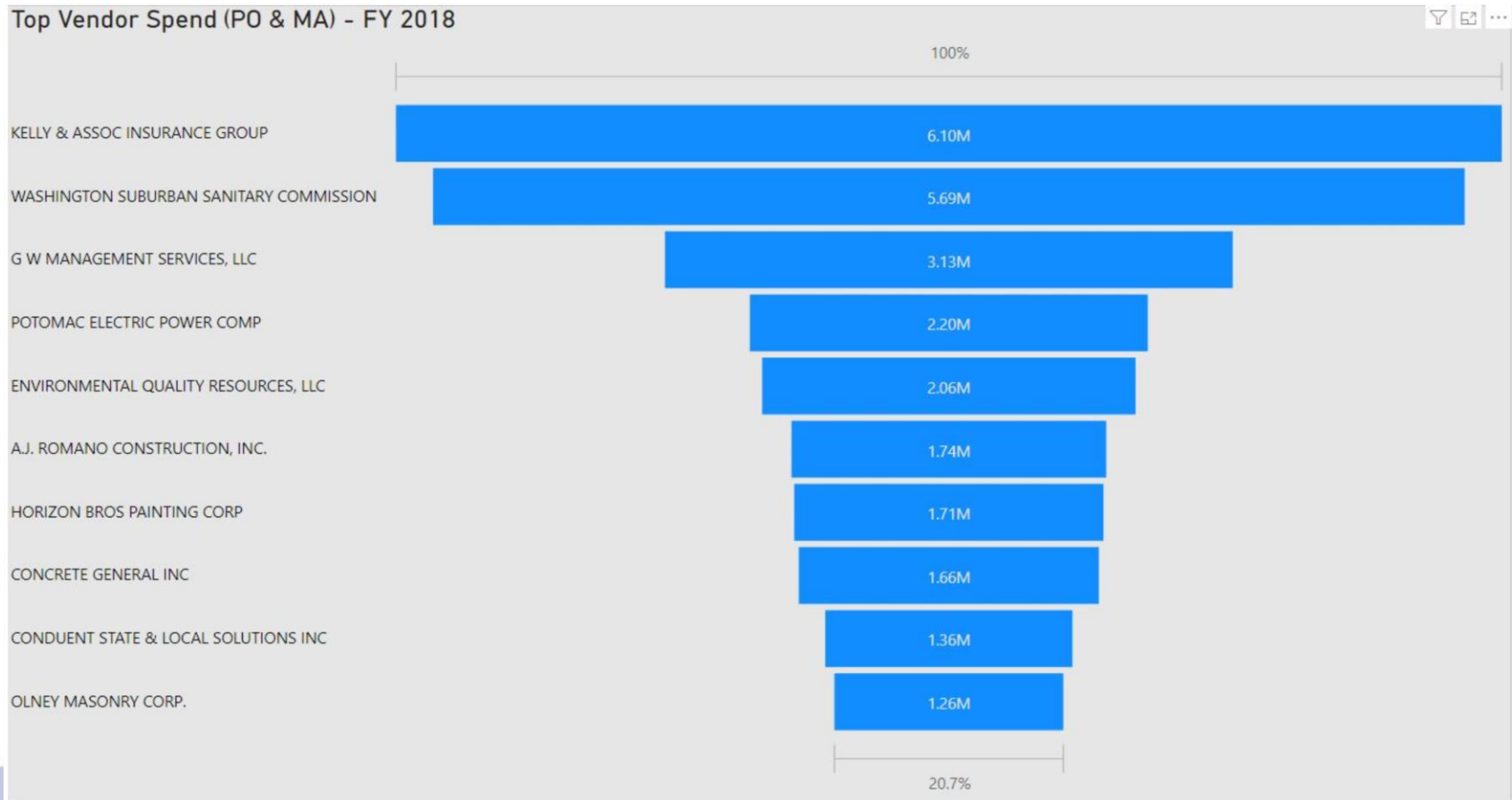
*This table provides the spend amount of the top expenditures based on contract type or commodity by master agreements for FY2019. This table does not reflect all of the object classes or categories.*

Category	Amount
Payments/Contractors-CIP Proj	7,227,140
WSSC Capacity Prov Contracts	3,059,956
Contracted Svcs-Other	1,506,219
Contracted Svcs-Grounds	1,242,118
Electricity	998,323
Refuse Dump Fees	811,484
Chemicals	591,027
Liability Insurance	556,947
Gasoline and Oil	479,739



# Top Vendor Spend for Purchase Orders and Master Agreements FY2018 (Revised)

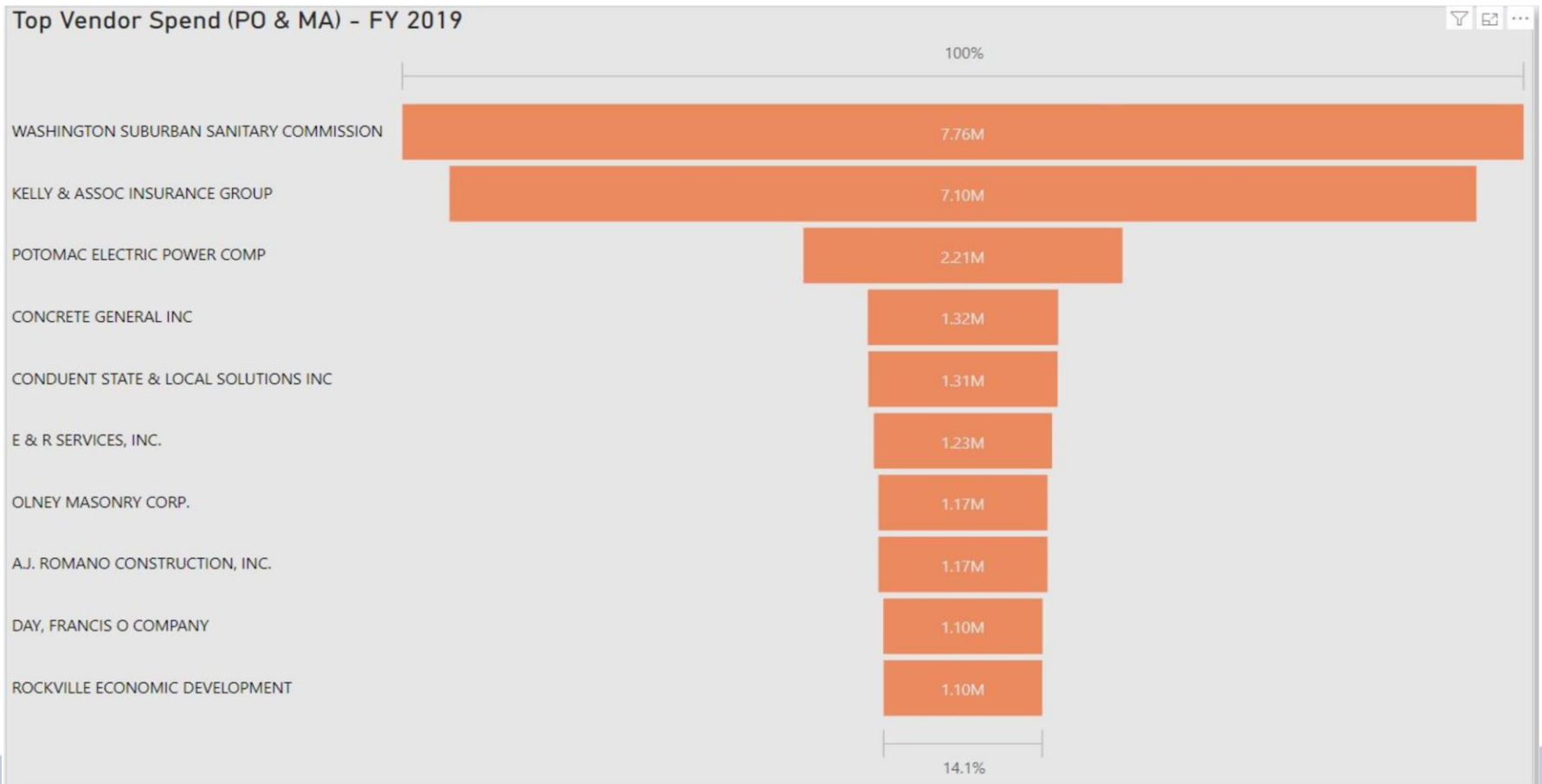
*This graph provides the top vendor spend based on the revised figures for Purchase Orders and Master Agreements for FY18.*





# Top Vendor Spend for Purchase Orders and Master Agreements FY2019 (Revised)

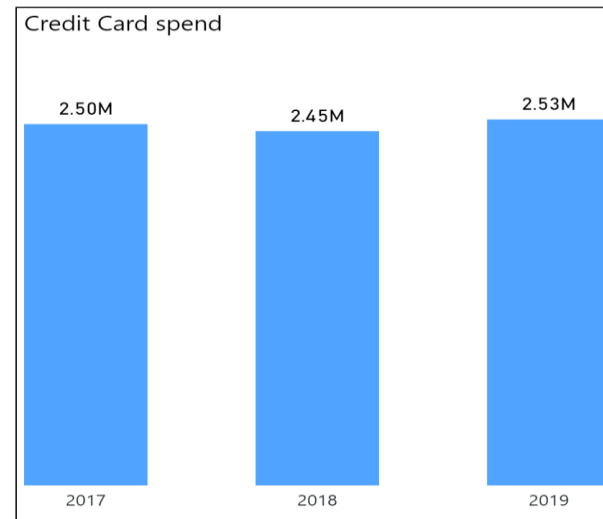
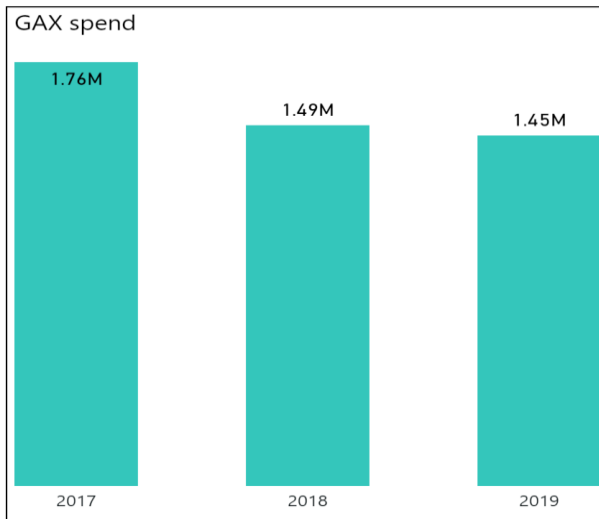
*This graph provides the top vendor spend based on the revised figures for Purchase Orders and Master Agreements for FY19.*





# Total GAX and P-Card Spend

*The graphs provided represent the total dollar value spent for GAX and P-card payments for FY2017 thru FY2019. The GAX spend continues to decrease due to the implementation of the GAX procedures that were developed in FY2016 as a result of the Procurement Consultant's recommendations.*





# FY2019 Emergency and Sole Source Procurements >\$30,000

*In accordance with sections 17-82(d) and 17-84(g) of the City Code, provided below are all emergency and sole source procurements in excess of \$30,000, that were processed during the FY19 period.*

Department	Service Date	Procurement Method	Description of Goods/Services	Dollar Amount
Public Works	9/17/18	Emergency	Emergency Excavation and Repair Services to the 100 Block of Calvert Road for Approximately 200 feet of Deteriorated and Collapsed Sewer Main	82,356
City Manager	7/18/18	Sole Source	Cable Television Router Replacement, Systems and Security Upgrades, and Storage Expansion	73,669
Information Technology	12/10/18	Sole Source	ESRI Enterprise License Agreement (ELA) for GIS Software	50,000
Finance	8/22/18	Sole Source	CGI Advantage Annual Standard Maintenance	142,961
Public Works	4/23/19	Sole Source	Razerooter II Root Control Application	85,000



# Minority, Female, & Disabled (MFD) Outreach Program

In FY2019, about 18% (\$4.0M) of Mayor and Council award items, including multiple award contracts, were awarded to MFD businesses.

FY2019 MFD outreach activities included the following:

- Exhibited the MFD outreach program at 4 events
- Attended 3 participating agency outreach meetings/events
- Conducted 2 training sessions on the new central vendor registration system
- Presented How to do Business at the City, with MFD emphasis, at 4 events (including 1 roundtable discussion)
- Conducted 42 formal one-on-one technical assistance meetings with businesses

This represents 55 activities where the Procurement Division had an opportunity to learn about MFD businesses and share ideas of how the City can make meaningful connections with these companies.



# Other Items

Item	FY2017	FY2018	FY2019
Maryland Public Information Act (MPIA) Requests	6	11	29
Bid Protests	0	0	0
Terminated Contracts	0	0	0





# Glossary of Terms

1. *Change Order/Contract Modification*: Any written alteration of specifications, delivery, period of performance, price, quantity, or other provision of an existing contract, whether accomplished by unilateral action in accordance with a contract provision or by mutual action of the parties to the contract.
2. *Competitive Procurement*: A process in which bidders are required to compete (formally or informally) for selection and award of a contract based on the requirements set forth in the jurisdiction's governing laws or statutes. This process is facilitated via the Invitation for Bids (IFB), Request for Proposals (RFP), or Request for Quotes (RFQ) process.
3. *Cooperative Procurement (Rider)*: A **non-competitive method** of procurement used when the City enters into a contract with a Contractor who offers goods, services, insurance, or construction on the same terms as provided by other state or local governments or agencies who have arrived at those terms through a competitive procurement procedure similar to the procedure used by the City.
4. *Emergency Procurement*: A **non-competitive method** of procurement that is used in the event that there is a public threat to life, public health, welfare, safety, and/or operation and functioning of the City government.



# Glossary of Terms (cont.)

5. Exemptions: A **non-competitive method** of procurement that provides for the direct purchase of specific products or services (e.g. works of art, recreational programs, grants, utilities) without following the competitive requirements as outlined by the City Code.
6. GAX: The GAX document is used to disburse funds directly for those activities not appropriate for competitive procurement methods (no dollar limit), or to pay for the purchase of goods and services for which the purchasing responsibility has been delegated to the using department in which P-card restrictions apply (\$3,000 limit).
7. Invitation for Bids (IFB): A **competitive procurement method** used to solicit competitive sealed bid responses. Award is generally made to the lowest responsive, responsible bidder.
8. Master Agreement (MA): A purchaser's written document to a supplier formalizing all the terms and conditions of a proposed transaction, such as a description of the requested items, cost of items being purchased, delivery schedule, terms of payment, and transportation. This document is often the result of a completed procurement process or contract; however, funds are not encumbered.



# Glossary of Terms (Cont.)

9. *Non-Competitive Procurement*: A process in which competition is not required when awarding a contract but meets the provisions as specified in the jurisdiction's laws or statutes. Non-competitive methods include cooperative procurement, exemptions, sole source procurement, emergency procurement, special procurement, and contracts with public entities. Competition also may not be required for purchases made within a jurisdiction's small dollar threshold.
10. *P-Card*: A credit card that can be utilized by designated City employees to charge goods and services on behalf of the City as defined in the City-wide procedures and guidelines. P-cards may also be referred to as purchasing cards or procurement cards.
11. *Protest*: A written objection by an interested party to a solicitation or award of a contract with the intention of receiving a remedial result.
12. *Public Entity*: A **non-competitive procurement** method used when the City contracts directly with other public entities for goods or services when such goods or services were obtained through competitive procurement procedures, or when the City contracts with any public entity to provide or receive any work or services of the type the City or such other public entity performs for its jurisdiction.



# Glossary of Terms (Cont.)

13. Purchase Order (PO): A purchaser's written document to a supplier formalizing all the terms and conditions of a proposed transaction, such as a description of the requested items, cost of items being purchased, delivery schedule, terms of payment, and transportation. This document allows an encumbrance of available funds and often is the result of a completed procurement process.
14. Request for Proposals (RFP): A **competitive procurement** method used to solicit proposals from potential providers (proposers) for goods and services. Price is usually not a primary evaluation factor. Provides for the negotiation of all terms, including price, prior to contract award. May include a provision for the negotiation of best and final offers.
15. Request for Quotes (RFQ): An informal **competitive procurement method** where competitive unsealed bids are solicited.
16. Sole Source Procurement: A **non-competitive procurement** method where only one supplier possesses the unique ability or capability to meet the particular requirements of the City.



# Glossary of Terms (Cont.)

17. Special Procurement: A **non-competitive procurement** method used when it is determined that a unique or unusual circumstance exists that makes competitive procurement contrary to the City's interest.
18. Task Order: A written order defining a particular service and/or material with a definite project, price and time of completion which is used in conjunction with a work order contract to create an enforceable contract (i.e. A/E contract).