



Mayor & Council Meeting Date: November 23, 2020
Agenda Item Type: Presentation
Department: CMO - Procurement
Responsible Staff: Jessica Lewis

Subject

Revised FY19 Procurement Annual Report

Recommendation

Staff recommends that the Mayor and Council receive this revised report.

Discussion

This revised report documents the procurement activities of the City of Rockville from July 1, 2018 to June 30, 2019 and is based on some recommendations by the Financial Advisory Board. The 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 provided in Attachment A. Staff utilized the same Business Intelligence software to compile the data within the report, and provides additional procurement data that was previously requested by the Mayor and Council.

Mayor and Council History

The initial FY19 Procurement Annual Report was presented to the Mayor and Council on January 27, 2020.

Boards and Commissions Review

The Financial Advisory Board appreciates the opportunity to review and comment on an earlier version of this Revised FY 2019 Procurement Annual Report. We were very pleased that Procurement staff finally had access to the correct data on annual spending through Master Agreements. This allowed Procurement to compute an accurate picture of the City's total procurement spend as well as the spend through competitive versus non-competitive procurement methods. The Board was also pleased with the many formatting changes from the original FY 2019 report. These changes simplified the report and focused on the items that were most important for the Mayor and Council to see. The Board has only one concern with this latest report, i.e., that the total obligations and actions by fiscal year for Purchase Orders and Master Agreements by Procurement Method don't match the corresponding totals by

Department. The Board hopes that the underlying causes of these discrepancies can be identified and resolved. The Board congratulates the Procurement Director, her staff, and staff from supporting departments for this impressive work.

Next Steps

Provide the FY2020 Procurement Annual Report in November 2020.

Attachments

Attachment 12.a: Attachment A - Revised 2019 Procurement Annual Report final 10-12-20
(PDF)



Rob DiSpirito, City Manager

10/13/2020



Revised FY2019 Procurement Annual Report

Presented By:

Jessica J. Lewis
Director of Procurement
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
TOTAL	*56,643,751	*22,684,029	1,451,980	2,532,673	*29,975,069

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



Revised Purchase Order Amount by Procurement Method

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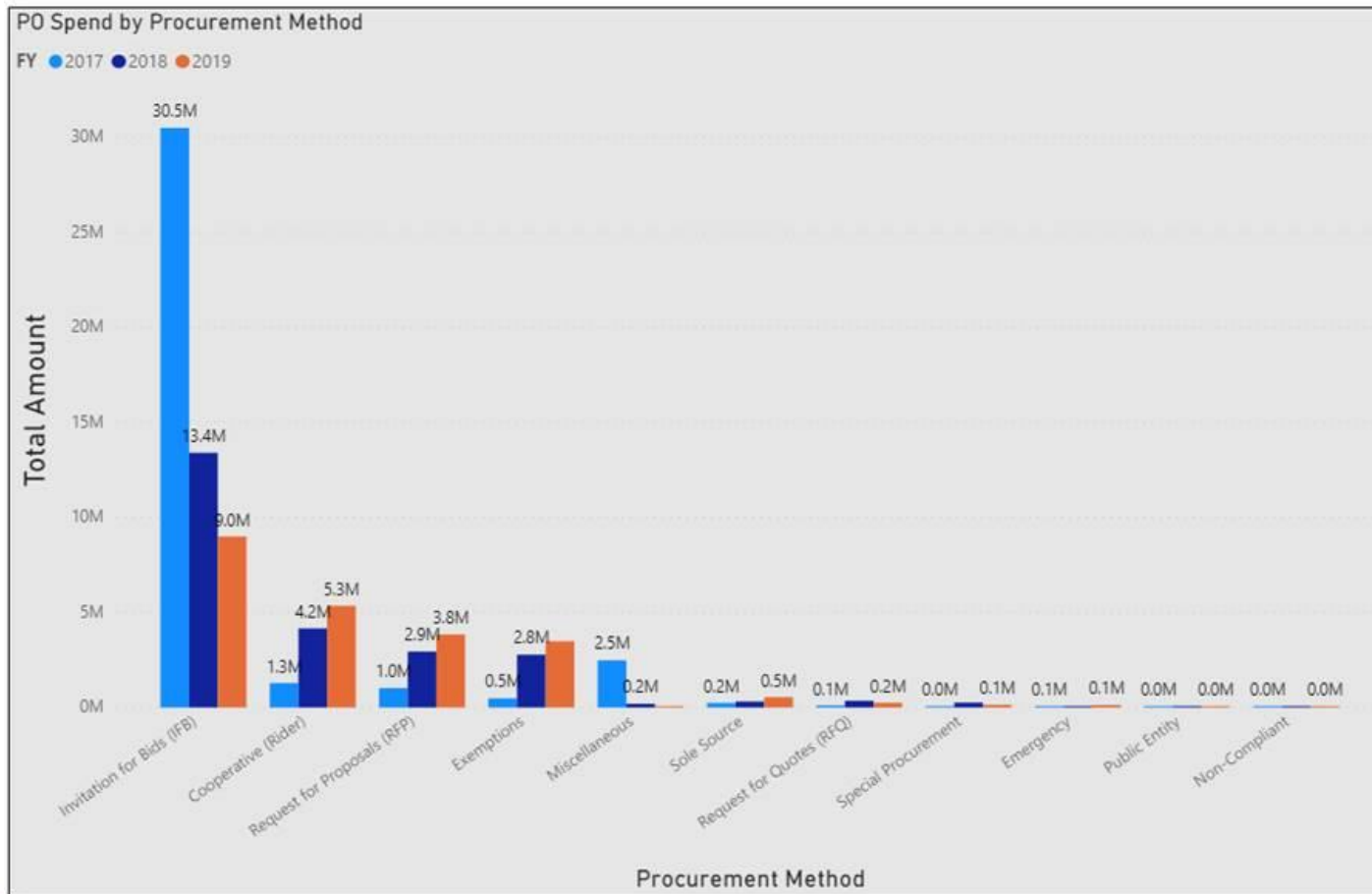
This table represents the spend amount for purchase orders based on procurement methods for FY2017 thru FY2019. Purchase orders serve as an encumbrance of available funds and are often the result of a procurement process. The highest spend by method for FY19 is Invitation for Bids (IFB), with the least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

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

Attachment 12.a: Attachment A - Revised 2019 Procurement Annual Report final 10-12-20



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



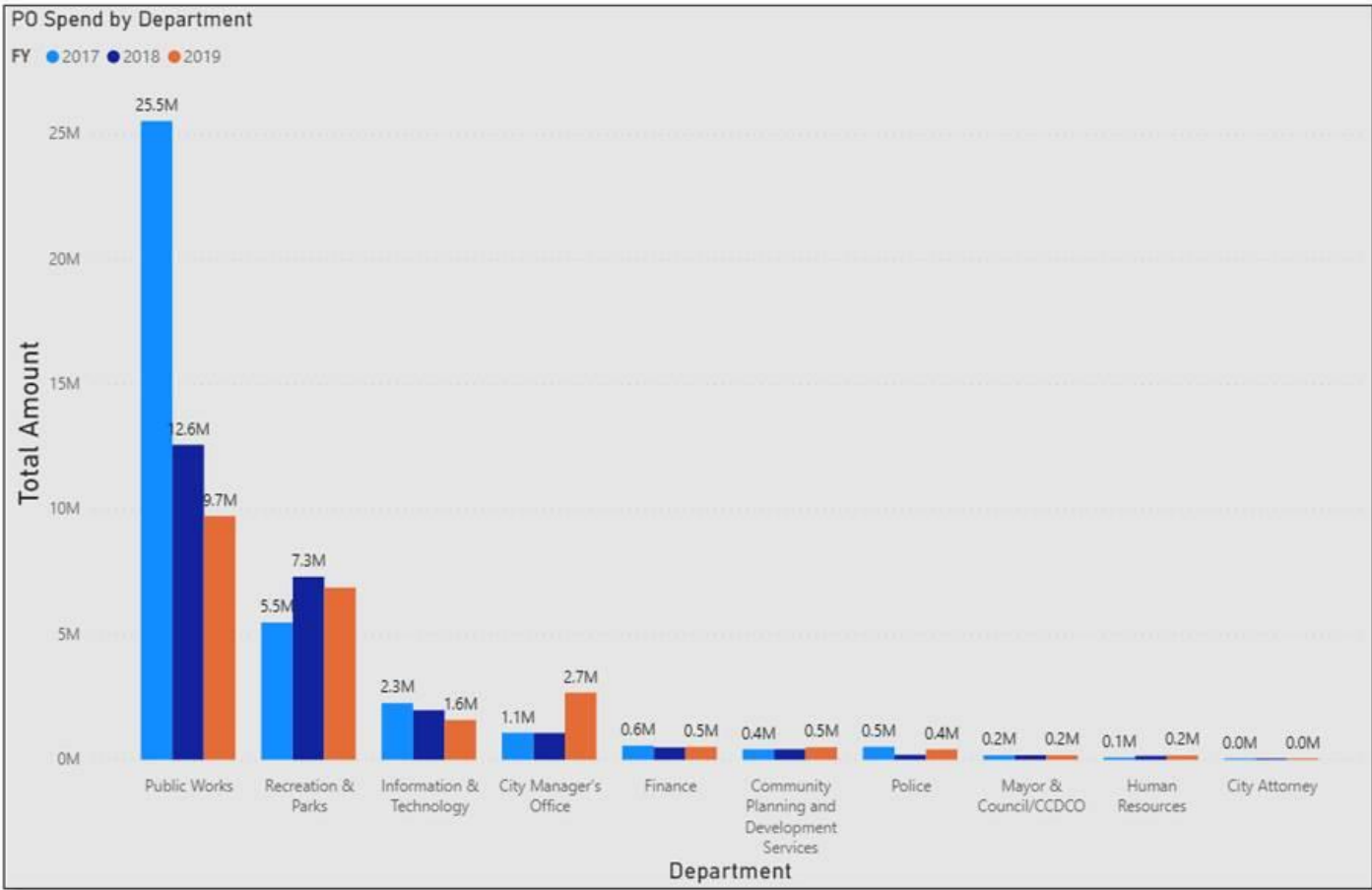
Revised Purchase Order Amount Issued by Department

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.

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



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

12.a

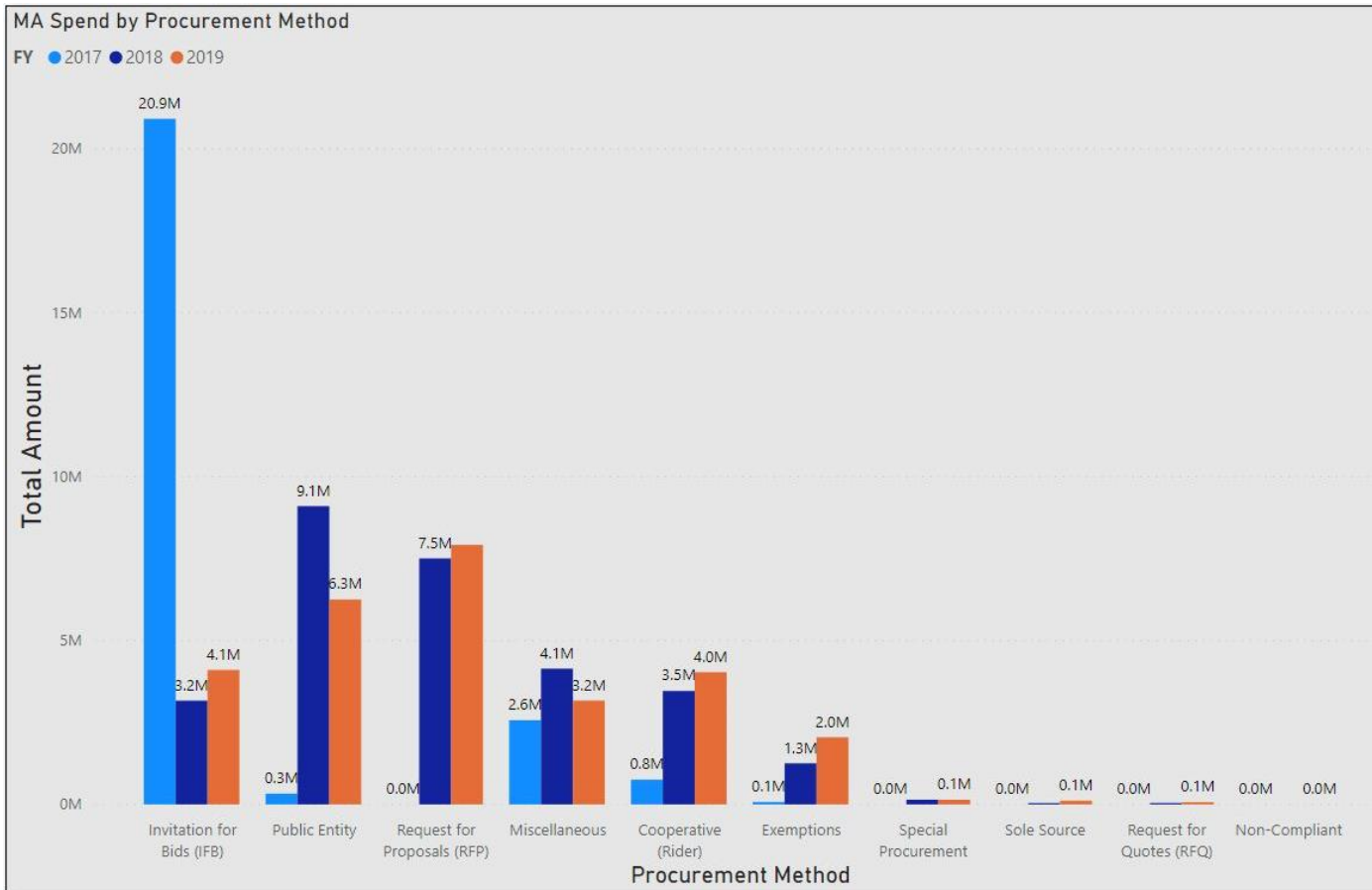
This table represents the spend amount for master agreements by procurement method for FY2017 thru FY2019. Master agreements are often the result of a completed procurement process; however, funds are not encumbered until time of payment. The high dollar amounts represented for FY19 are based on payments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

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

Attachment 12.a: Attachment A - Revised 2019 Procurement Annual Report final 10-12-20



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

12.a

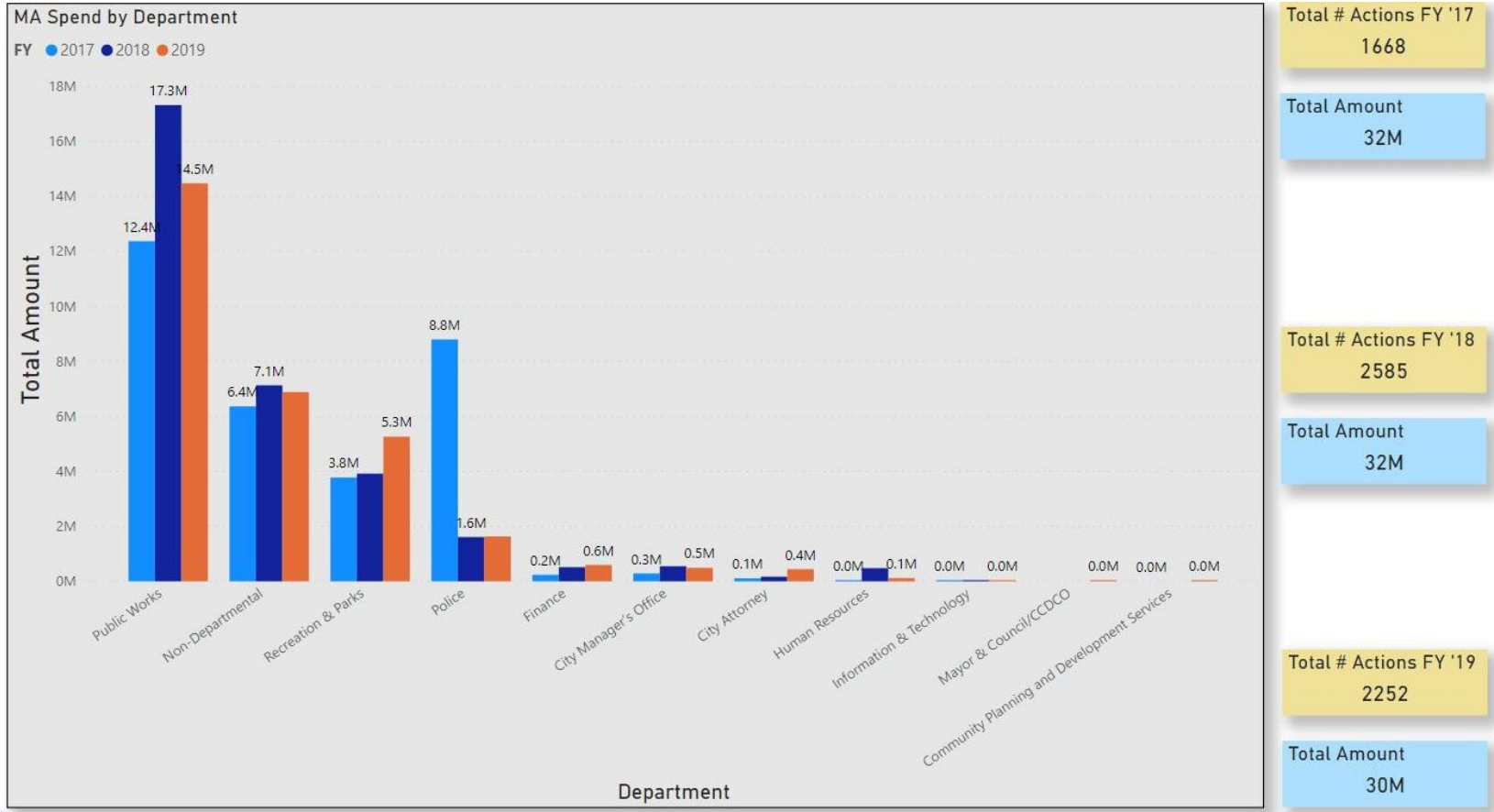
This table represents the spend amount for master agreements by City department for FY2017 thru FY2019. The high dollar amounts represented by Public Works and Recreation & Parks are mostly based on Construction-related projects, fuel, utilities and materials initiated from a procurement process.

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

Attachment 12.a: Attachment A - Revised 2019 Procurement Annual Report final 10-12-20



Revised Master Agreement Amount Issued by Department





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%
Total	87%	51%	50%

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%
Total	13%	49%	50%

*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
Total	7,830,425	125	946,181	69	1,322,196	92



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
Total	8,456,366	55	2,633,708	61	2,170,633	65



FY2019 Top Expenditures by Type Purchase Orders

12.a

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.

Category	Amount
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

12.a

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.

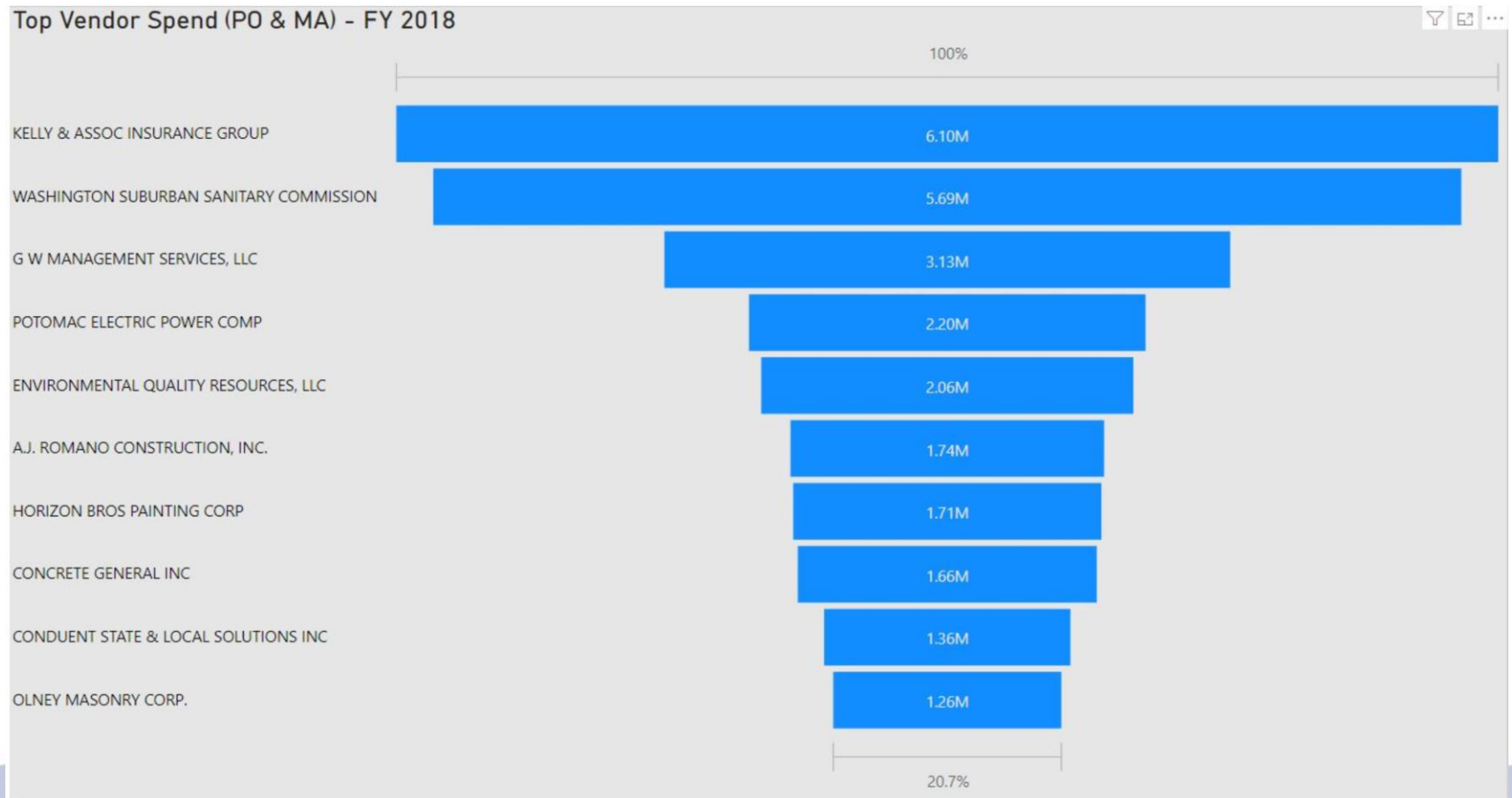
Category	Amount
Payments/Contractors-CIP Proj	7,227,140
WSSC Capacity Prov Contracts	3,059,956
Contracted Svcs-Other	1,506,219
Contracted Svcs-Grounds	1,242,118
Electricity	998,323
Refuse Dump Fees	811,484
Chemicals	591,027
Liability Insurance	556,947
Gasoline and Oil	479,739

Attachment 12.a: Attachment A - Revised 2019 Procurement Annual Report final 10-12-20



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

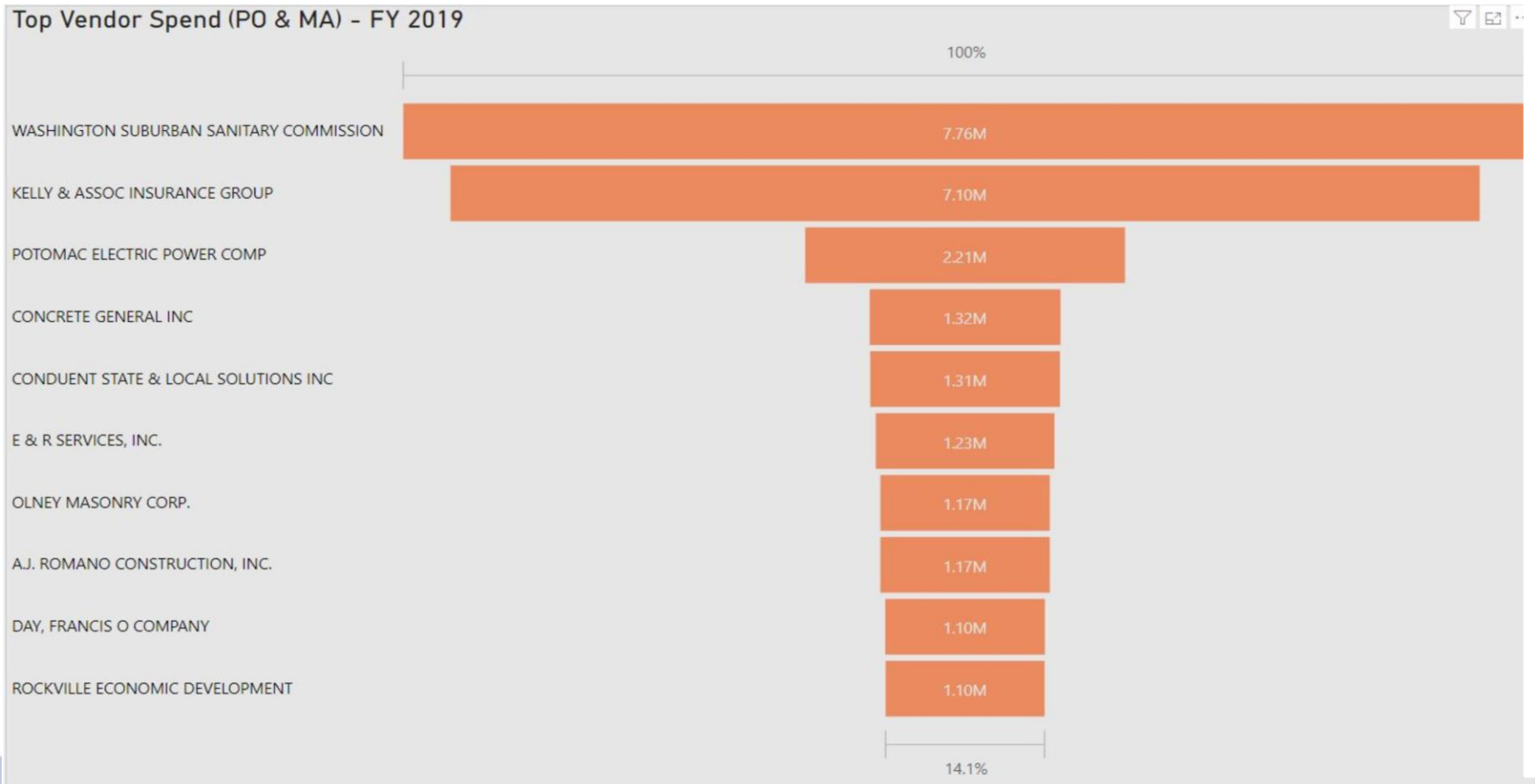
This graph provides the top vendor spend based on the revised figures for Purchase Orders and Master Agreements for FY18.





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

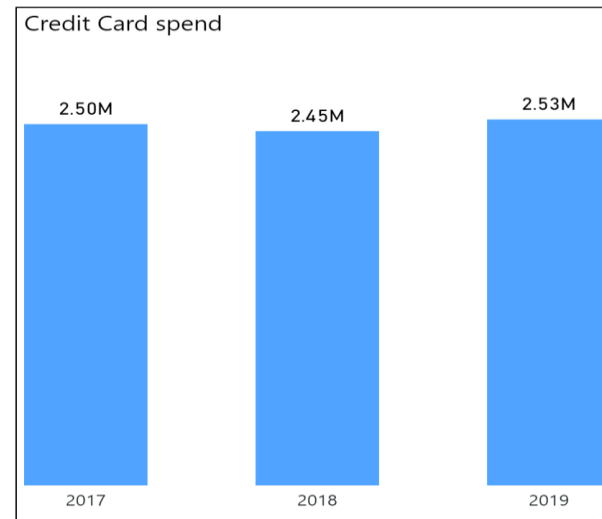
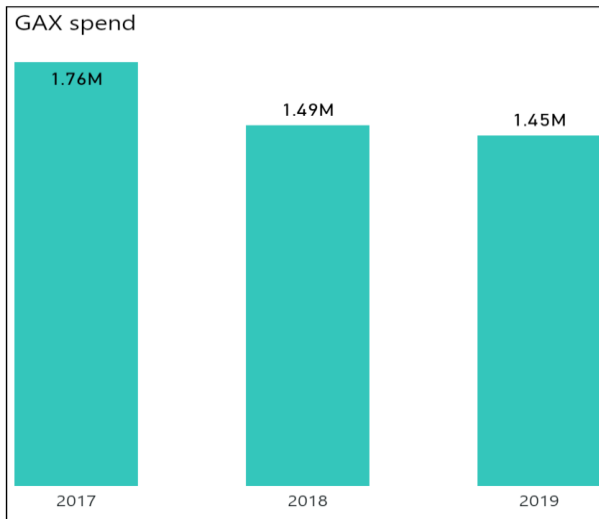
This graph provides the top vendor spend based on the revised figures for Purchase Orders and Master Agreements for FY19.





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).

Source: NIGP, City Code Chapter 17



Mayor & Council Meeting Date: November 23, 2020
Agenda Item Type: Presentation
Department: CMO - Procurement
Responsible Staff: Jessica Lewis

Subject

FY20 Procurement Annual Report

Recommendation

Staff recommends that the Mayor and Council receive this report.

Discussion

This report documents the procurement activities of the City of Rockville from July 1, 2019 to June 30, 2020. This report is being provided in a new format from previous years which includes Procurement Division objectives, an overview of FY20 procurement activities, and more descriptive detail as it relates to various procurement spend. Staff utilized the same Business Intelligence software to compile the data within the report, and provides additional procurement data that was previously requested by the Mayor and Council and the Financial Advisory Board.

Mayor and Council History

The original FY19 Procurement Annual Report was presented on January 27, 2020 and the revised FY19 Procurement Annual Report was presented on November 23, 2020.

Next Steps

The FY2021 Procurement Annual Report will be presented to the Mayor and Council in Fall 2021

Attachments

Attachment 13.a: Attachment A - FY20 Procurement Annual Report (PDF)

A handwritten signature in dark ink, appearing to read "Rob DiSpirito", is written over a horizontal line.

Rob DiSpirito, City Manager

11/18/2020

FY2020

City of Rockville Procurement Annual Report

Presented by Jessica J. Lewis,
Director of Procurement
City of Rockville Procurement Division



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Procurement Division Objectives

- Obtain high quality goods and services at fair and reasonable prices
- Manage the Procurement Process in the most efficient, effective, and most transparent manner
- Foster strong relationships with internal and external customers and provide excellent customer service
- Ensure compliance with established laws and regulations
- Remain up to date on benchmarks and best practices within the Procurement field
- Provide outreach and education to the diverse business community

“Talent wins games, but teamwork and intelligence wins championships”

- Michael Jordan

FY20 Overview

The Procurement Division provides procurement services for the City of Rockville. This annual report summarizes the procurement activities for Fiscal Year 2020 (July 1, 2019 through June 30, 2020). The Division issued or oversaw the issuance of 2,321 purchase orders and 7,185 master agreements, which includes change orders/modifications. In addition to purchase order and master agreement transactions, the Division also tracks spending for GAX payments, P-card payments, and change orders. The Procurement Division continues to improve the procurement function within the City through policy, technology, vendor outreach and staff development.

Highlights from FY2020 include:

- Implementation of the revamped procurement guide which includes all of the core procurement functions for the City;
- Facilitation of City-wide procurement training (in-person and online), resulting from the newly implemented procurement guide;
- Implementation of a Contract Management System which serves as a contract repository for all City contracts;
- Receiving Mayor and Council approval to adopt an ordinance that allows for electronic bidding and to conduct procurement by electronic means;
- Development and issuance of a vendor survey;
- Development of the revamped Vendor Guide which serves as guidelines on how vendors may participate in the City's business; and
- Receipt of the Achievement of Excellence in Procurement Award issued by the National Procurement Institute.

As we move forward, the Procurement Division strives to further improve its policies and procedures, continue to encourage MFD participation, and deliver outstanding customer service.

FY20 Highlights

- Increase in competitive procurement spend for Invitation for Bids from FY19 to FY20
- Significant decrease in MA change order spend by department from FY19 to FY20
- \$2.6M awarded to MFD vendors for Mayor and Council awards
- Significant decrease in GAX spend from FY19 to FY20

FY20 Summary

Department	Total Expenditures	Purchase Orders (PO)	GAX Payments	P-card Payments	Master Agreements (MA)
City Attorney	98,378	18,544	23,864	16,024	39,946
City Manager's Office	2,680,359	1,684,746	48,882	673,620	273,111
Planning and Development Services	1,220,009	1,039,184	129,670	48,111	3,044
Finance	617,259	482,529	16,480	8,678	109,572
Human Resources	345,658	200,983	65,880	43,770	35,025
Information and Technology	3,566,164	3,360,584	46,112	101,307	58,161
Mayor and Council/CCDCO	479,809	339,973	106,866	27,970	5,000
Police	1,952,578	174,122	121,803	106,312	1,550,341
Public Works	23,409,552	7,295,483	102,679	863,255	15,148,135
Recreation and Parks	16,015,103	9,845,632	289,368	701,831	5,178,272
Non-departmental	7,473,094	74,876	101,994	-	7,296,224
TOTAL	57,857,963	24,516,656	1,053,598	2,590,878	29,696,831

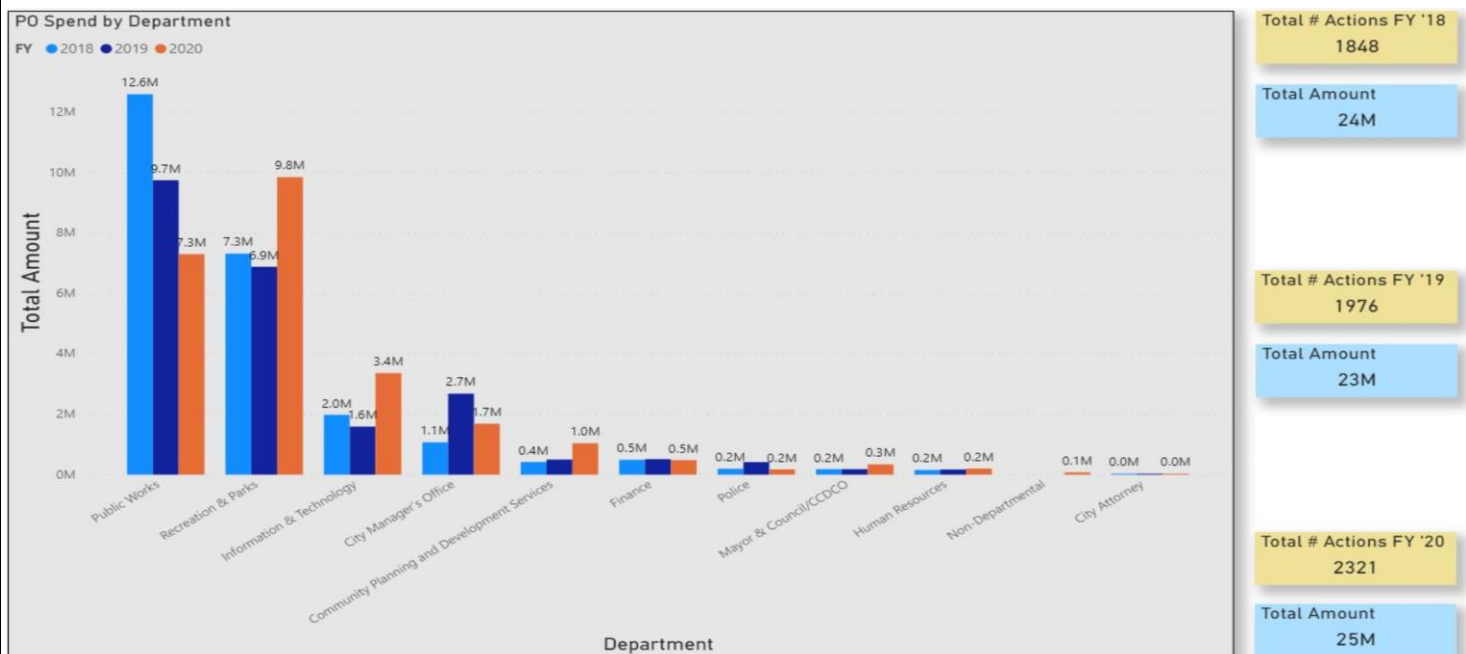
Attachment 13.a: Attachment A - FY20 Procurement Annual Report (3313 : FY20 Procurement Annual Report)

PO Amount Issued by Department

This table and graph represent the spend amount for purchase orders by City department for FY2018 thru FY2020. Purchase orders serve as an encumbrance of available funds and are often the result of a procurement process.

Department	2018	No. of Actions	2019	No. of Actions	2020	No. of Actions
City Attorney	10,073	18	12,972	16	18,544	18
City Manager's Office	1,069,893	83	2,680,161	122	1,684,746	111
Planning and Development Services	419,303	57	499,484	88	1,039,184	136
Finance	491,458	48	513,257	34	482,529	42
Human Resources	154,059	40	170,375	51	200,983	45
Information and Technology	1,979,069	406	1,589,538	429	3,360,584	456
Mayor & Council/CCDCO	180,062	29	181,638	41	339,973	68
Police	194,105	25	415,414	35	174,122	24
Public Works	12,588,490	588	9,742,536	545	7,295,483	614
Recreation and Parks	7,314,172	554	6,878,654	615	9,845,632	789
Non-Departmental	-	-	-	-	74,876	18
TOTAL	24,400,684	1848	22,684,029	1976	24,516,656	2321

Examples of the high dollar/increased amounts represented are mostly based on construction-related projects, fuel, utilities, materials, playground equipment replacement, election software and materials, and IT security programs facilitated by Public Works, Recreation and Parks, Mayor & Council/CCDCO and Information and Technology.



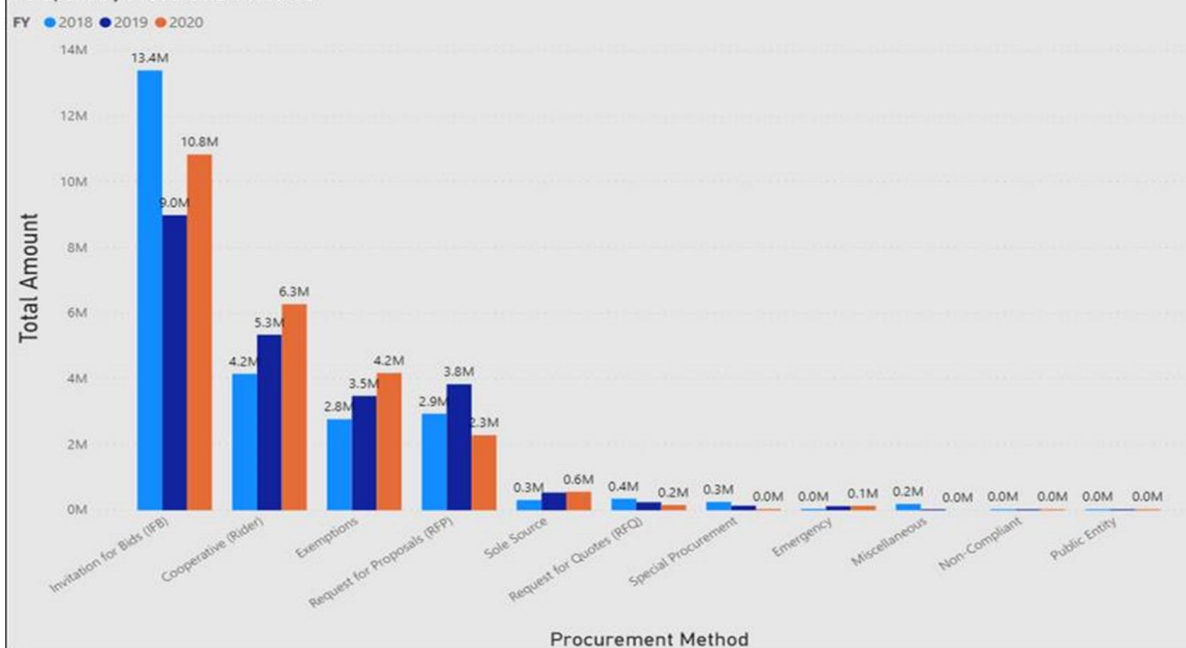
PO Amount by Procurement Method

This table and graph represent the spend amount for purchase orders based on procurement methods for FY2018 thru FY2020.

Method	2018	No. of Actions	2019	No. of Actions	2020	No. of Actions
Emergency	40,913	8	125,415	9	135,969	11
Exemptions	2,772,915	578	3,484,184	550	4,180,394	687
Invitation for Bids (IFB)	13,398,582	315	8,990,100	310	10,835,635	463
Miscellaneous	191,510	25	28,895	7	-	-
Public Entity	4,271	1	18,550	4	14,900	1
Request for Proposals (RFP)	2,942,214	279	3,839,961	382	2,286,731	350
Request for Quotes (RFQ)	353,528	96	245,937	71	162,031	73
Cooperative (Rider)	4,156,977	444	5,347,328	501	6,278,055	638
Sole Source	312,290	29	540,984	25	564,505	41
Special Procurement	254,022	34	140,647	102	38,135	13
Non-Compliant	24,337	6	15,956	2	20,301	44
TOTAL	24,451,559	1815	22,777,957	1963	24,516,656	2321

The highest spend by method for FY20 is Invitation for Bids (IFB), with the least spend by method being contracts with public entities.

PO Spend by Procurement Method



Total # Actions FY '18
1815

Total Amount
24M

Total # Actions FY '19
1963

Total Amount
23M

Total # Actions FY '20
2321

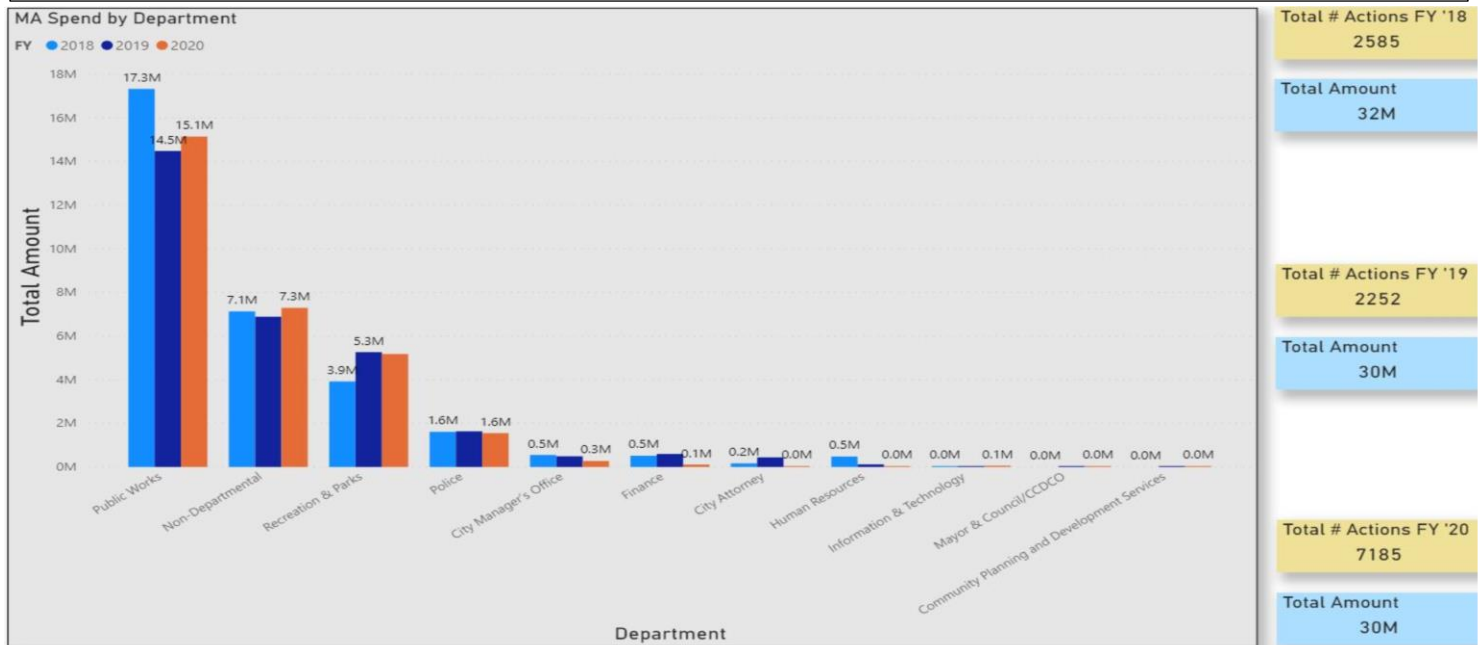
Total Amount
25M

MA Amount Issued by Department

This table and graph represent the spend amount for master agreements by City department for FY2018 thru FY2020. Master agreements are often the result of a completed procurement process; however, funds are not encumbered until time of payment.

Department	2018	No. of Actions	2019	No. of Actions	2020	No. of Actions
City Attorney	164,941	33	440,391	23	39,946	36
City Manager's Office	549,439	105	489,007	75	273,111	140
Planning and Development Services	-	-	3,395	3	3,044	6
Finance	514,961	47	595,956	50	109,572	60
Human Resources	478,120	631	118,653	28	35,025	49
Information & Technology	28,683	93	41,864	113	58,161	135
Mayor & Council/CCDCO	-	-	13,384	14	5,000	3
Police	1,611,036	165	1,633,777	168	1,550,341	432
Public Works	17,333,258	648	14,486,742	827	15,148,135	2268
Recreation & Parks	3,920,121	807	5,263,781	893	5,178,272	3699
Non-Departmental	7,134,057	56	6,888,119	58	7,296,224	357
TOTAL	31,734,616	2585	29,975,069	2252	29,696,831	7185

Examples of the high dollar amounts represented by Public Works and Recreation & Parks are primarily based on construction-related projects, fuel, utilities and materials. The slight increase in spend for Information and Technology is based on the purchase of communications/cellular services.

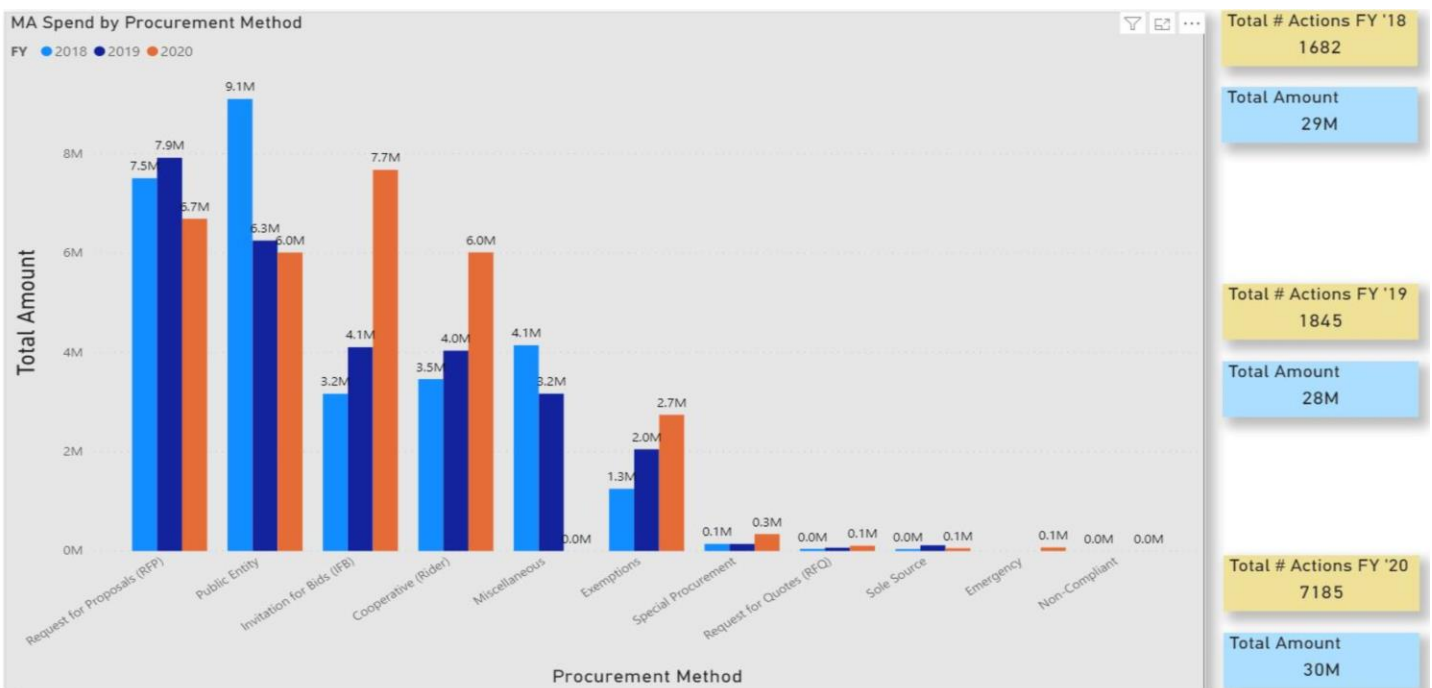


MA Amount by Procurement Method

This table and graph represent the spend amount for master agreements by procurement method for FY2018 thru FY2020.

Method	2018	No. of Actions	2019	No. of Actions	2020	No. of Actions
Emergency	-	-	-	-	70,891	60
Exemptions	1,252,198	309	2,047,277	244	2,741,601	498
Invitation for Bids (IFB)	3,165,222	531	4,103,001	448	7,673,914	792
Miscellaneous	4,142,030	149	3,167,134	120	-	-
Public Entity	9,100,848	50	6,250,271	82	6,008,976	227
Request for Proposals (RFP)	7,505,928	39	7,916,907	62	6,689,874	239
Request for Quotes (RFQ)	42,050	32	65,935	44	105,609	137
Cooperative (Rider)	3,460,428	528	4,033,746	784	6,011,729	5145
Sole Source	38,148	12	114,889	15	54,180	15
Special Procurement	142,680	32	141,792	46	340,057	72
Non-Compliant	-	-	-	-	-	-
TOTAL	28,849,532	1682	27,840,952	1845	29,696,831	7185

The high dollar spend for FY20 is due to construction-related services and payments for administration of the City's benefits and workers' compensation insurance which was initiated through the IFB and RFP process. Examples of the increase in cooperative spend for FY20 is due to increase in construction facility improvements and maintenance.



Competitive vs. Non-Competitive Procurement Methods

Provided is a comparison of competitive and non-competitive percentages based on procurement spend for FY2018 thru FY2020. 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.

Competitive Procurement

Procurement Method	FY2018	FY2019	FY2020
Invitation for Bids (IFB)	31%	26%	34%
Request for Proposals (RFP)	19%	23%	17%
Request for Quotes (RFQ)	1%	1%	<1%
Total	51%	50%	51%

Non-competitive Procurement

Procurement Method	FY2018	FY2019	FY2020
Cooperative (Rider)	14%	19%	23%
Exempt	8%	11%	13%
Sole Source	1%	1%	1%
*Misc.	8%	6%	<1%
Emergency	<1%	<1%	<1%
Special Procurement	1%	1%	1%
Public Entity	17%	12%	11%
Non-Compliant	<1%	<1%	<1%
Total	49%	50%	49%

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

The increase in percentages of Invitation for Bids from FY19 to FY 20 is primarily due to large construction-related projects for the Public Works department. Examples of projects include, Crofton Hill Lane & Scott Drive Bridge Improvements, North Horner's Sidewalk Project, Bullards Park – Woodley Gardens Stream Restoration, and Middle Lane Storm Drain Renewal.

PO Change Orders by Department

The table provided includes the spend amounts and number of transactions for all change orders/modifications to purchase orders that were initiated for FY2018 thru FY2020.

In FY20, the majority of change order/modification dollars and transactions were initiated by Public Works and Recreation & Parks and is mostly associated with unforeseen changes as it relates to construction projects and materials that resulted from a procurement process such as Request for Proposals, Request for Quotes, and Invitation for Bids.

Department	2018	No. of Actions	2019	No. of Actions	2020	No. of Actions
City Manager's Office	-	-	43,941	6	85,401	3
Planning and Development Services	2,753	1	42,932	6	20,491	5
Finance	1,814	1	34,365	1	-	-
Human Resources	7,937	3	23,466	4	-	-
Information and Technology	4,110	6	9,681	7	42,417	15
Mayor and Council/CCDCO	-	-	15,000	2	7,664	2
Public Works	591,586	34	678,611	24	1,108,519	28
Recreation and Parks	337,980	20	474,201	42	749,519	36
Total	946,180	65	1,322,197	92	2,014,011	89

Examples of the significant increase in PO change order spend from FY19 and FY20, is due to construction services relating to Edmonston Drive Bridge Rehab Construction, the Rockville Swim and Fitness Center Locker Room Project, and Anderson Park/Plymouth Woods Stream design.

MA Change Orders by Department

The table provided includes the spend amounts and number of transactions for all change orders/modifications to master agreements that were initiated for FY2018 thru FY2020.

In FY20, the majority of change order/modification dollars and transactions were initiated by Public Works and are associated with goods and services associated with City operations that resulted from a procurement process such as Invitation for Bids or Cooperative Procurement.

Department	2018	No. of Actions	2019	No. of Actions	2020	No. of Actions
City Attorney	105,000	3	397,466	6	8,000	4
City Manager's Office	380,820	14	323,175	11	11,642	19
Finance	417,052	8	490,158	11	4,046	3
Human Resources	448,600	11	88,500	3	-	0
Police	28,255	2	56,510	4	-	-
Public Works	1,046,982	17	169,184	10	52,441	29
Recreation & Parks	207,000	6	645,640	20	5,485	41
Total	2,633,708	61	2,170,633	65	81,614	96

There was a significant decrease in MA change order spend from FY19 and FY20. Examples of changes/modifications that occurred in FY20 were associated with Bus Stop Maintenance Services, Streetlight Services, and for the purchase of Water Treatment Chemicals.

FY20 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 FY2020. This table does not reflect all of the object classes or categories.

Category	Amount
Payments/Contractors-CIP Proj	8,656,007
WSSC Capacity Prov contracts	2,991,853
Electricity	2,135,753
Contracted Svcs – Other	1,532,252
Contracted Svcs – Grounds	1,395,636
Refuse Dump Fees	846,690
Liability Insurance	595,664
Chemicals	494,975
Gasoline and Oil	373,151

FY20 Top Expenditures by Type – Master Agreements

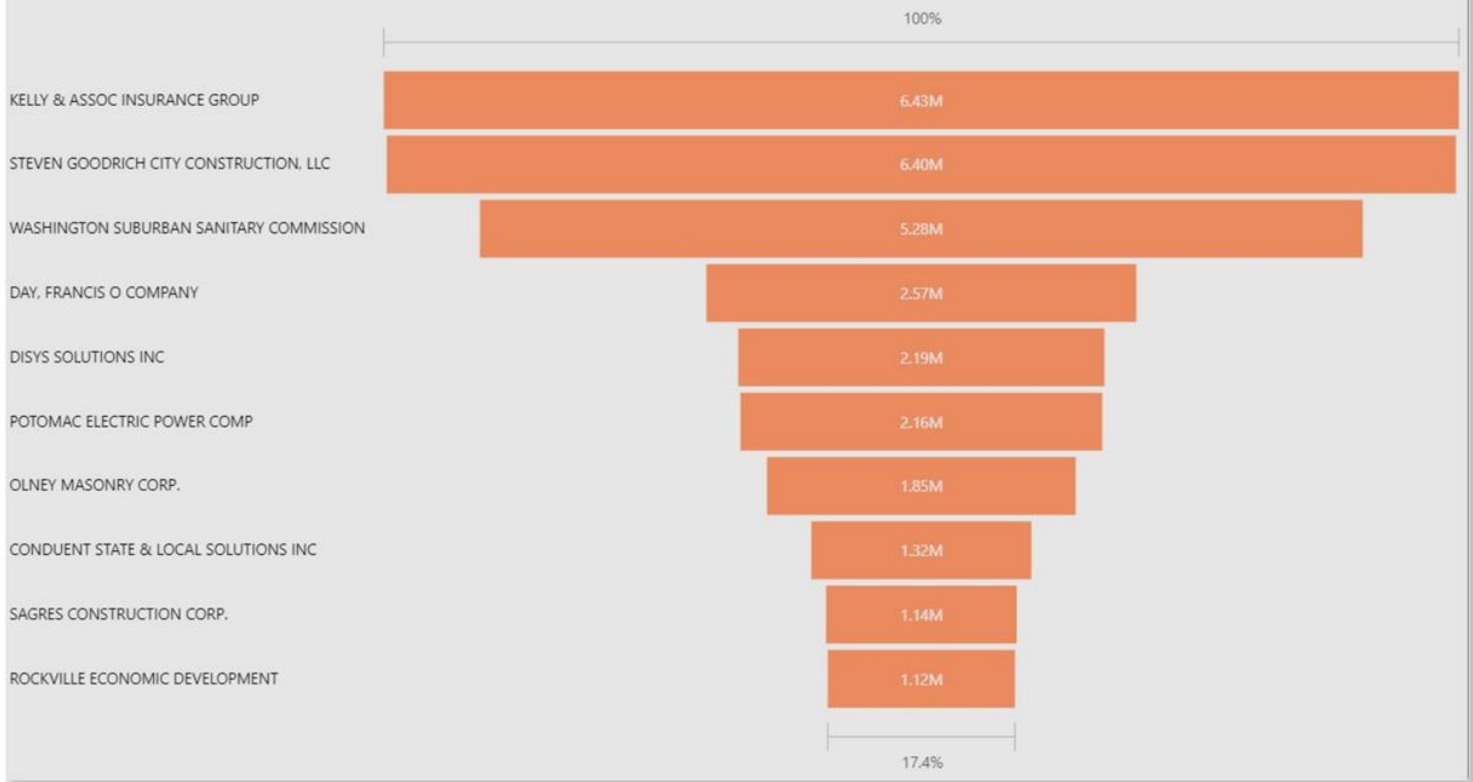
This table provides the spend amount of the top expenditures based on contract type or commodity by master agreements for FY2020. This table does not reflect all of the object classes or categories.

Category	Amount
Payments/Contractors-CIP Proj	9,566,166
Other CIP Expenditures	2,074,693
Vehicle Replacement	1,296,749
Software Maintenance and Subscriptions	1,077,082
Planning Design CIP	865,182
Consultants	751,683
Major Repairs	563,167
Contracted Svcs – Grounds	549,848
Telephone and Internet Services	317,291

FY20 Top Vendor Spend for Purchase Orders and Master Agreements

This graph provides the top vendor spend based on the revised figures for Purchase Orders and Master Agreements for FY20.

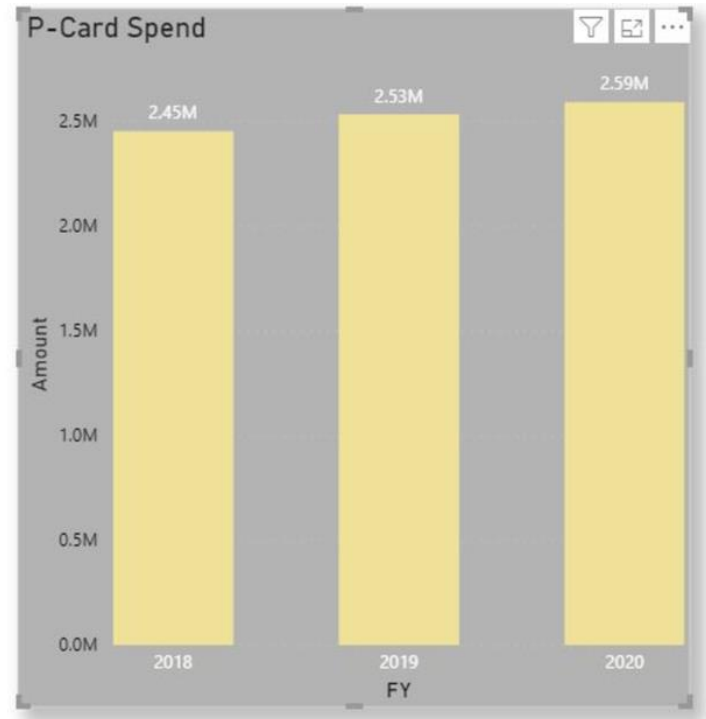
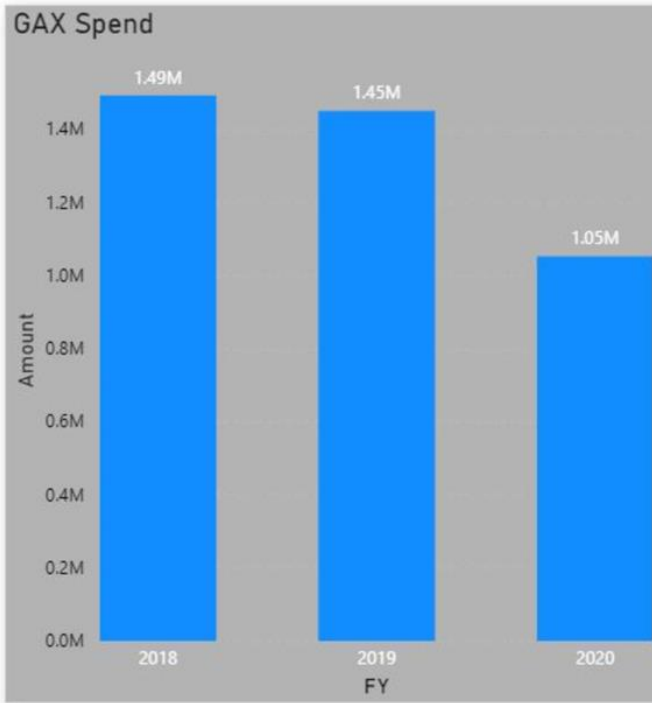
Top Vendor Spend (PO & MA) - FY 2020



Attachment 13.a: Attachment A - FY20 Procurement Annual Report (3313 : FY20 Procurement Annual Report)

Total GAX and P-Card Spend

The graphs provided represent the total dollar value spent for GAX and P-card payments for FY2018 thru FY2020.



The GAX Spend continues to decrease with a significant spend decrease from FY19 to FY20. This is due to the GAX procedures developed in FY2016 as a result of the Procurement Consultant's Report.

Note: *As GAX spend continues to decrease, the spend in purchase orders and master agreements may increase due to the requirement to associate spend with the appropriate procurement method/process.*

The slight increase in P-card spend is primarily due to the purchase of emergency-related supplies and personal protective equipment for City staff during the COVID-19 emergency that occurred in the later part of FY20.

FY20 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 FY20 period.

Department	Service Date	Procurement Method	Description of Goods/Services	Amount
Recreation and Parks	1/13/20	Sole Source	ASV POSI-TRAC RT30 Mini-Skid Steer Loader	33,013
Public Works	12/9/19	Emergency	Emergency Structural Repairs to Hurly Avenue Bridge	48,304
Information and Technology	11/12/19	Sole Source	Annual Renewal of Licensing and Maintenance of GIS Software	50,000
Public Works	7/12/19	Sole Source	Root Control Services	85,000
Mayor and Council/CCDCO	7/31/19	Sole Source	Election Services, including Ballot Printing, Mailing, and other related services for the 2019 Vote by Mail Election	100,000
Finance	8/22/19	Sole Source	CGI Advantage Annual Standard Maintenance	143,480

Minority, Female, & Disabled (MFD) Outreach Program

In FY2020, about 13% (\$2.6M) of Mayor and Council award items, including multiple award contracts, were awarded to MFD businesses.

FY2020 MFD outreach activities include the following:

- Exhibited the MFD outreach program at 4 events;
- Attended 5 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 2 events; and
- Conducted 21 formal one-on-one technical assistance meetings with businesses

This represents 34 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	FY2018	FY2019	FY2020
Maryland Public Information Act (MPIA) Requests	11	29	19
Bid Protests	0	0	0
Terminated Contracts	0	0	1

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.
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.
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.
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.
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).