



**FY
23**

City of Rockville **Procurement Annual Report**



**Presented by
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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

“The way to achieve your own success is to be willing to help somebody else get it first”

- Iyanla Vanzant



FY2023

Overview

The Procurement Division provides procurement services for the City of Rockville. This annual report summarizes the procurement activities for Fiscal Year 2023 (July 1, 2022, through June 30, 2023). The Division issued or oversaw the issuance of 2,159 purchase orders and 7,895 master agreements. 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 FY2023 include:

- Initiated the transition from paper and hard copy files to a fully electronic system via the Division's contract repository.
- Held the first Procurement outreach event "Rockville Means Business" which was open to the public and invited businesses to learn more about doing business with the City of Rockville and participating in the bidding process.
- Held the first City-wide year-end information session, in collaboration with the Finance Department, to provide information to City departments on general year-end information, changes for the upcoming fiscal year, and to address any year-end related questions.
- Developed and fully implemented an MFD-V scheduling portal for vendors electronically schedule a date/time to meet to receive one-on-one technical assistance from the City's MFD-V Coordinator.
- Received an overall satisfaction rating of 80% via the FY23 Procurement Customer Satisfaction Survey.

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



FY2023

Highlights

- Increase in Mayor and Council awards to Minority, Female, Disabled, or Veteran-Owned (MFD-V) businesses.
- No bid protest or contract terminations
- No significant changes in competitive vs. non-competitive spend



FY2023

Summary

Department	Total Expenditures	Purchase Orders (PO)	GAX Payments	P-card Payments	Master Agreements (MA)
City Attorney	87,793	28,068	19,250	8,600	31,875
City Manager's Office	3,416,956	2,315,093	36,888	720,973	344,002
Community Planning & Development Services	650,291	471,078	117,802	47,667	13,744
Housing & Community Development	1,321,596	1,234,043	38,228	47,379	1,946
Finance	362,485	305,961	21,654	5,173	29,697
Human Resources	489,945	261,019	120,068	52,491	56,367
Information & Technology	2,895,945	2,218,362	9,810	64,900	602,873
Mayor & Council/CCDCO	216,071	180,962	17,999	17,110	-
Police	2,299,488	726,837	101,513	171,115	1,300,023
Public Works	36,048,909	16,653,583	227,296	1,137,344	18,030,686
Recreation & Parks	12,005,141	4,407,507	420,898	840,557	6,336,179
Non-departmental	8,341,087	103,657	260,768	-	7,976,662
TOTAL	68,135,707	28,906,170	1,392,174	3,113,309	34,724,054

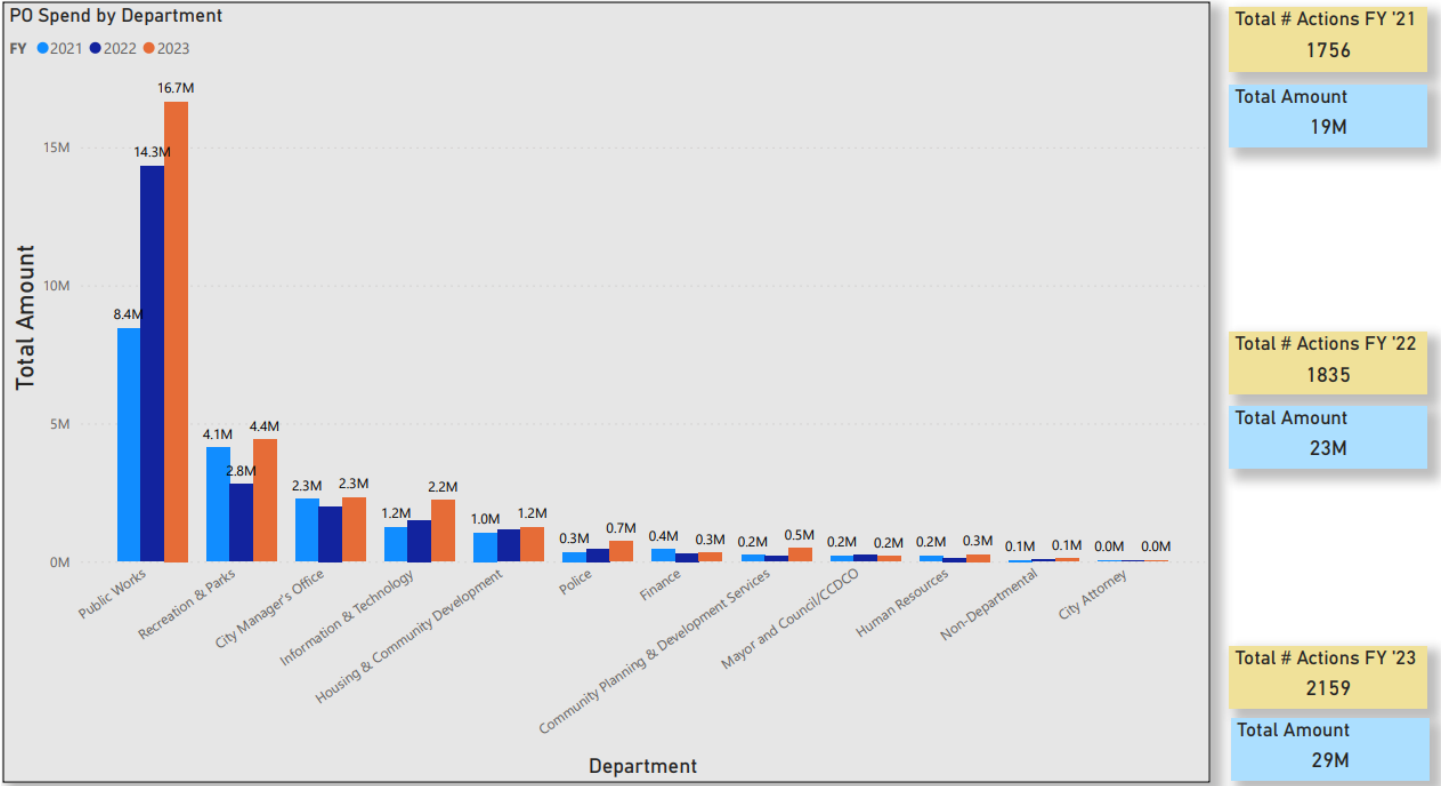
PO Amount Issued by Department

This table and graph represent the spend amount for purchase orders by City department for FY2021 thru FY2023. Purchase orders serve as an encumbrance of available funds and are often the result of a procurement process.

Department	2021	No. of Actions	2022	No. of Actions	2023	No. of Actions
City Attorney	11,830	14	3,565	12	28,068	14
City Manager's Office	2,252,897	104	1,990,375	94	2,315,093	114
Community Planning & Development Services	228,672	40	205,010	49	471,078	61
Housing & Community Development	1,037,922	178	1,152,788	213	1,234,043	198
Finance	439,879	36	294,663	19	305,961	19
Human Resources	205,414	44	134,956	33	261,019	25
Information & Technology	1,238,553	79	1,494,455	83	2,218,362	109
Mayor & Council/CCDCO	196,345	50	228,068	42	180,962	54
Police	334,962	35	463,785	30	726,837	38
Public Works	8,437,790	658	14,318,204	697	16,653,583	923
Recreation & Parks	4,125,072	500	2,797,114	557	4,407,507	589
Non-Departmental	51,968	18	60,000	6	103,657	15
TOTAL	18,561,304	1756	23,142,983	1835	28,906,170	2159

The increase in spend for Information & Technology is due to the maintenance of SmartNet which supports the City's phone system, firewalls, routers, etc. The increase in Community Planning & Development spend is due to an increase authorized for the Peerless Rockville grant. The increase in spend for Police was due to the purchase of Axon Tasers. The increase in Public Works spend is due to modifications relating to the 6 Taft Court Renovations and Water Treatment Plant Electrical Upgrades and Building Renovations. The increase in Recreation & Parks spend is due to payments related to construction-related services for pervious parking lot replacement.

PO Amount Issued by Department



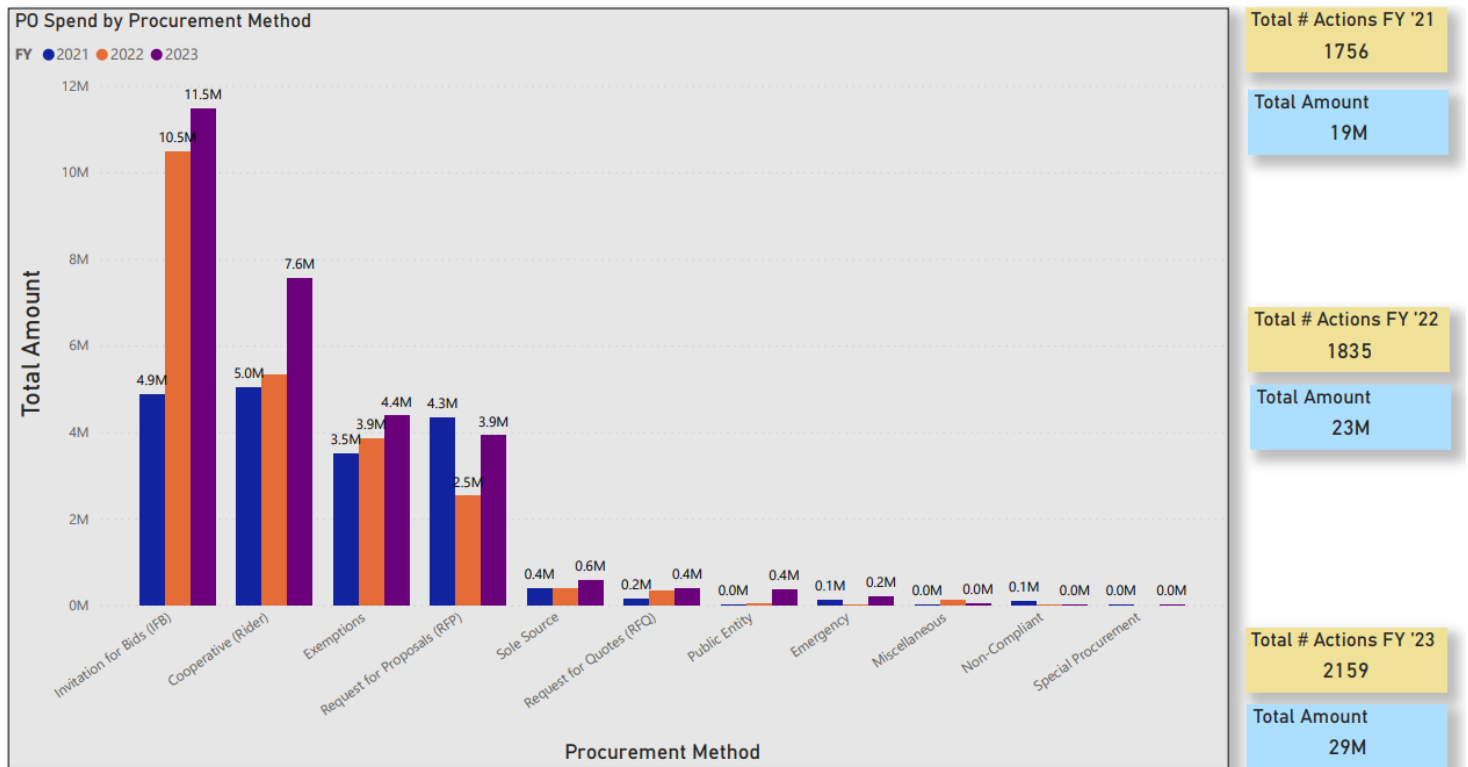
PO Amount by Procurement Method

This table and graph represent the spend amount for purchase orders based on procurement methods for FY2021 thru FY2023.

Method	2021	No. of Actions	2022	No. of Actions	2023	No. of Actions
Emergency	119,884	8	20,998	7	200,741	10
Exemptions	3,500,466	303	3,859,538	341	4,378,789	350
Invitation for Bids (IFB)	4,877,229	376	10,474,925	459	11,469,869	515
Miscellaneous	9,395	5	123,727	30	37,148	8
Public Entity	14,900	1	51,690	9	360,544	4
Request for Proposals (RFP)	4,336,065	319	2,526,100	285	3,921,506	414
Request for Quotes (RFQ)	155,149	71	347,556	93	384,250	107
Cooperative (Rider)	5,043,072	618	5,339,075	572	7,550,511	708
Sole Source	400,854	36	390,491	37	578,581	36
Special Procurement	7,396	5	-	-	3,567	1
Non-Compliant	96,894	14	8,883	2	20,664	6
TOTAL	18,561,304	1756	23,142,983	1835	28,906,170	2159

The highest PO spend by method for FY23 is Invitation for Bids (IFB), with the least spend by method being Special Procurement.

PO Amount by Procurement Method



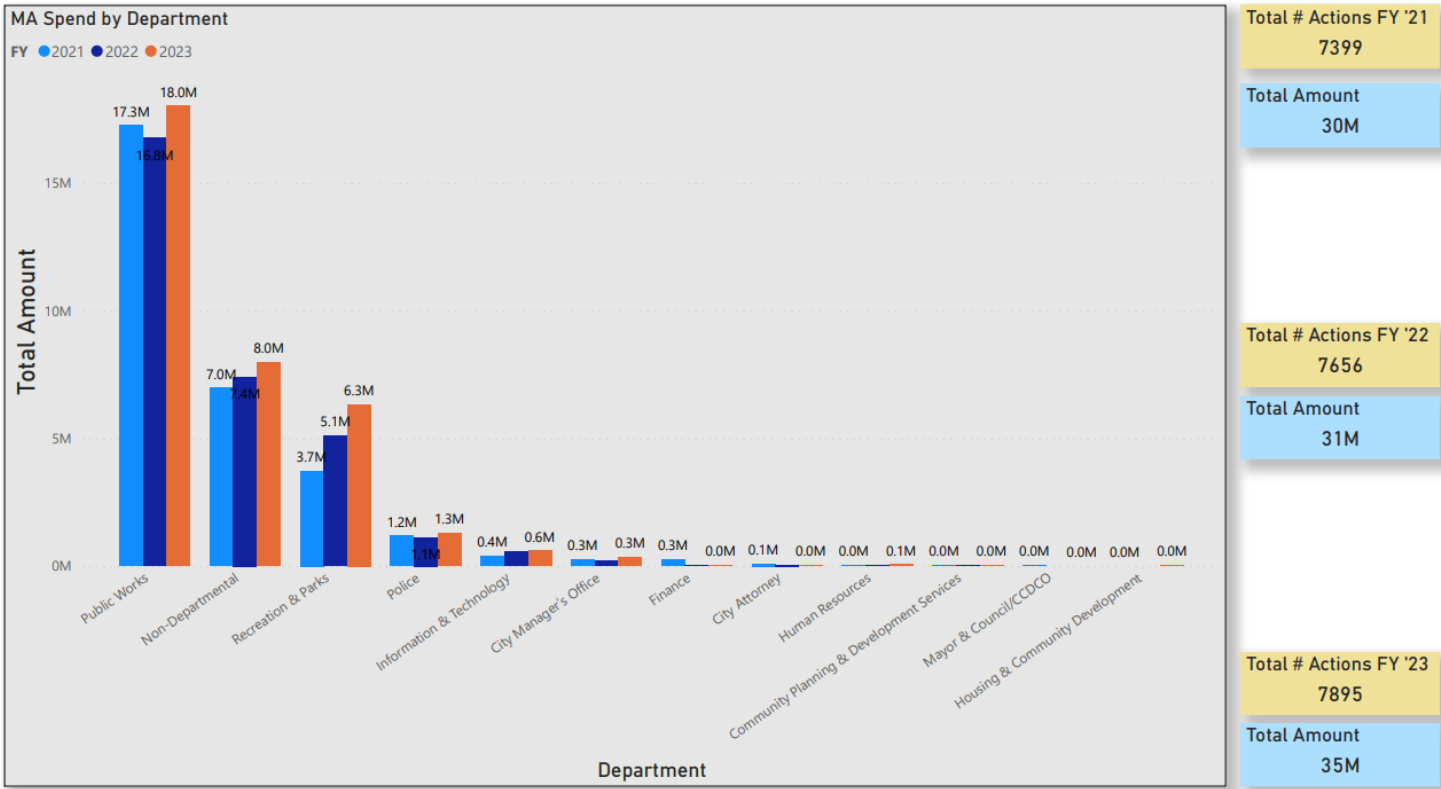
MA Amount Issued by Department

This table and graph represent the spend amount for master agreements by City department for FY2021 thru FY2023. Master agreements are often the result of a completed procurement process; however, funds are not encumbered until time of payment.

Department	2021	No. of Actions	2022	No. of Actions	2023	No. of Actions
City Attorney	98,057	53	53,185	19	31,875	10
City Manager's Office	254,735	127	219,290	118	344,002	144
Community Planning & Development Services	713	5	12,590	14	13,744	32
Housing & Community Development	-	-	-	-	1,946	5
Finance	258,869	50	30,995	28	29,697	34
Human Resources	30,304	27	30,367	39	56,367	60
Information & Technology	387,522	481	548,753	489	602,873	504
Mayor & Council/CCDCO	15,000	3	-	-	-	-
Police	1,193,772	430	1,124,411	361	1,300,023	442
Public Works	17,258,522	2316	16,763,218	2284	18,030,686	2385
Recreation & Parks	3,732,545	3446	5,112,875	3869	6,336,179	3842
Non-Departmental	6,985,901	461	7,411,371	435	7,976,662	437
TOTAL	30,215,940	7399	31,307,055	7656	34,724,054	7895

The increase in spend for Police is due to the Photo Enforcement Services contract which includes the replacement and upgrade of red-light and speed camera systems in and around the City. The increase in Public Works spend is due to the contract with WSSC for Blue Plains Water and Sewer.

MA Amount Issued by Department



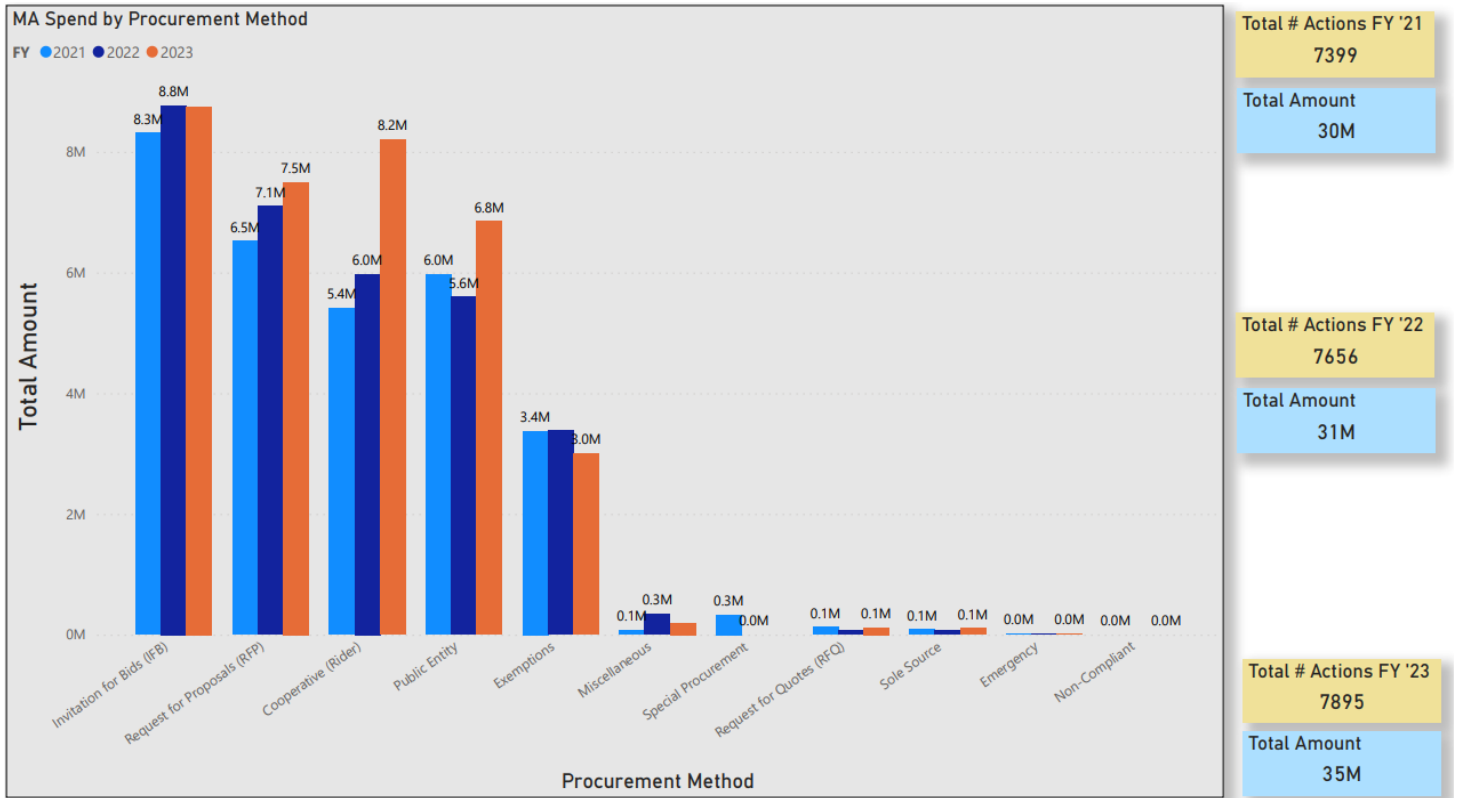
MA Amount by Procurement Method

This table represents the spend amount for master agreements by procurement method for FY2021 thru FY2023.

Method	2021	No. of Actions	2022	No. of Actions	2023	No. of Actions
Emergency	19,140	15	2,558	8	6,878	6
Exemptions	3,375,804	1080	3,377,497	924	3,000,384	1181
Invitation for Bids (IFB)	8,314,254	744	8,769,828	909	8,748,408	941
Miscellaneous	72,806	11	345,346	70	194,405	18
Public Entity	5,972,819	62	5,595,203	19	6,848,046	14
Request for Proposals (RFP)	6,521,525	286	7,099,017	374	7,496,757	365
Request for Quotes (RFQ)	121,046	128	68,237	120	119,469	109
Cooperative (Rider)	5,407,432	4989	5,977,160	5212	8,206,467	5244
Sole Source	81,767	18	72,209	20	103,240	17
Special Procurement	329,347	66	-	-	-	-
Non-Compliant	-	-	-	-	-	-
TOTAL	30,215,940	7399	31,307,055	7656	34,724,054	7895

The highest MA spend by method for FY23 is Invitation for Bids (IFB), with the least spend by method being Emergency purchases.

MA Amount by Procurement Method



Competitive vs. Non-Competitive Procurement Methods

Provided is a comparison of competitive and non-competitive percentages based on procurement spend for FY2021 thru FY2023. The highest percentage of competitive procurements include Invitation for Bids (IFB). The highest number of non-competitive procurements includes cooperative (rider) contracts, exempt procurements, and contracts with public entities.

Competitive

Procurement Method	FY2021	FY2022	FY2023
Invitation for Bids (IFB)	28%	36%	32%
Request for Proposals (RFP)	20%	17%	17%
Request for Quotes (RFQ)	1%	1%	1%
Total	49%	54%	50%

There were no significant increases or decreases in the competitive and non-competitive category methods.

Non-Competitive

Procurement Method	FY2021	FY2022	FY2023
Cooperative (Rider)	21%	21%	25%
Exempt	15%	13%	12%
Sole Source	1%	1%	1%
*Misc.	<1%	1%	<1%
Emergency	<1%	<1%	<1%
Special Procurement	1%	<1%	<1%
Public Entity	13%	10%	12%
Non-Compliant	<1%	<1%	<1%
Total	51%	46%	50%

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

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 FY2021 thru FY2023.

Department	2021	No. of Actions	2022	No. of Actions	2023	No. of Actions
City Manager's Office	200,428	12	13,481	8	41,530	2
Community Planning & Development Services	70,557	4	12,690	1	65,089	10
Housing & Community Development	4,627	2	51,825	10	36,994	9
Finance	-	-	-	-	-	-
Human Resources	3,000	1	793	1	-	*1
Information & Technology	42,440	3	3,426	2	137,929	8
Police	-	-	-	-	5,320	2
Mayor & Council/CCDCO	5,669	1	-	-	9,637	1
Public Works	1,571,979	41	782,079	27	905,158	38
Recreation & Parks	265,512	12	359,087	15	273,647	16
Non-departmental					2,240	3
Total	2,164,212	76	1,223,381	64	1,477,544	90

*Represents a non-monetary change

The significant increase in PO change order spend for the City Manager's from FY22 to FY23, is due to changes/modifications to the contract management system contract to implement the eSourcing Software and Vendor Collaboration Gateway. The most significant increase in PO change order spend for Community Planning & Development Services is changes/modifications associated with the conditions assessment for the clubhouse at Redgate Golf Course.

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 FY2021 thru FY2023.

Department	2021	No. of Actions	2022	No. of Actions	2023	No. of Actions
City Attorney	-	2	-	-	-	-
City Manager's Office	4,541	25	7,000	7	17,637	8
Community Planning & Development Services	-	*1	-	*1	-	-
Housing & Community Development	-	-	-	-	-	-
Finance	18,000	4	-	-	-	-
Human Resources	-	2	-	-	-	-
Police	-	-	-	-	-	-
Public Works	13,495	22	-13,427	7	2,000	3
Recreation & Parks	-	14	-	*21	-	-
Total	36,036	70	-6,427	36	19,637	11

*Represents a non-monetary change

The increase changes/modifications for the City Manager's Office were due to the increase in postage for printing associated with bulk reports, recreation guides, Rockville Reports, etc.

FY23 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 FY2023. This table does not reflect all object classes or categories.

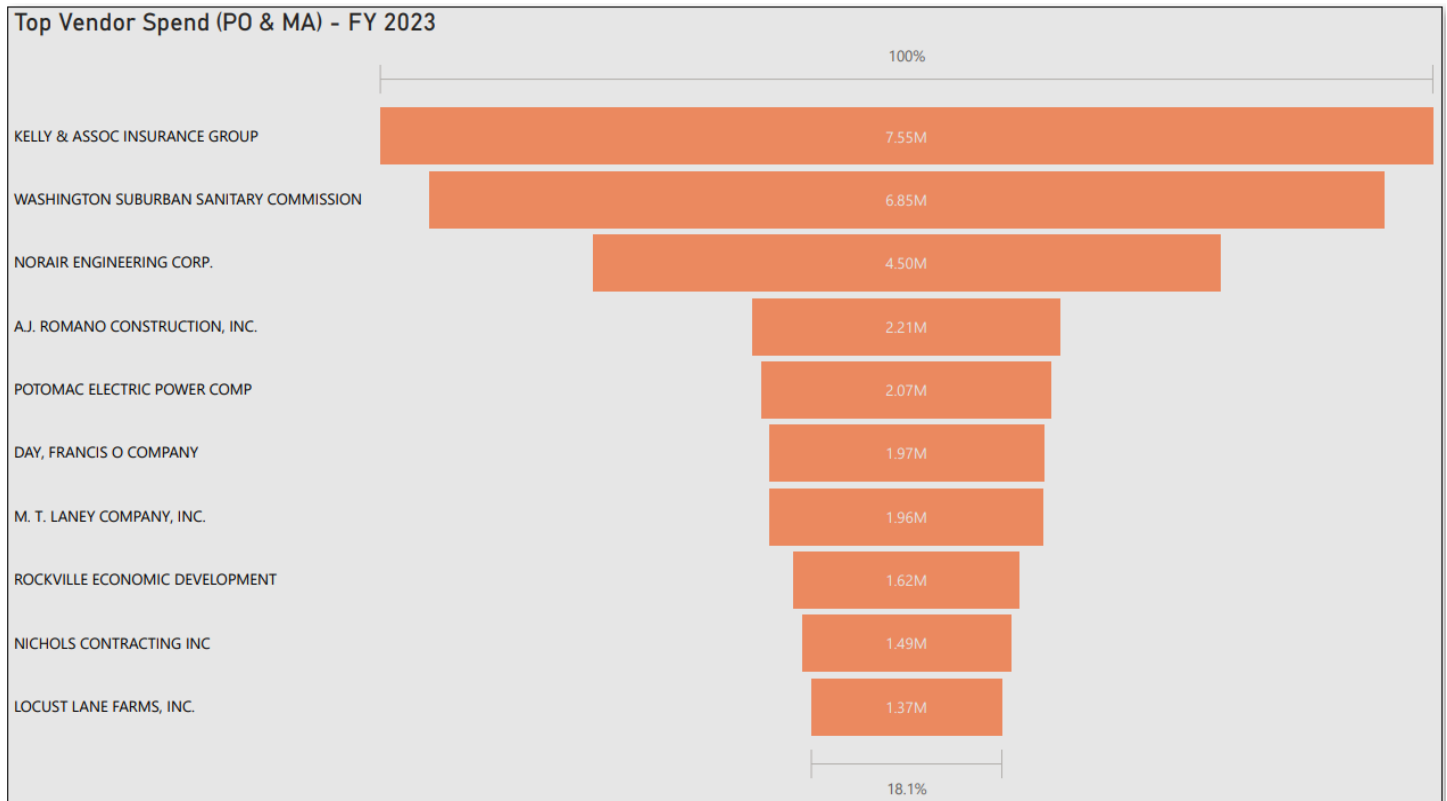
Category	Amount
Payments/Contractors-CIP Proj	11,222,074
Planning Design CIP	2,553,556
Vehicle Replacement	1,821,005
Software Maintenance and Subscriptions	1,664,091
Consultants	738,661
Computer Equipment	730,511
Contracted Repairs	698,704
Contracted Svcs – Grounds	696,571
Vehicle Leasing	640,871

FY23 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 FY2023. This table does not reflect all object classes or categories.

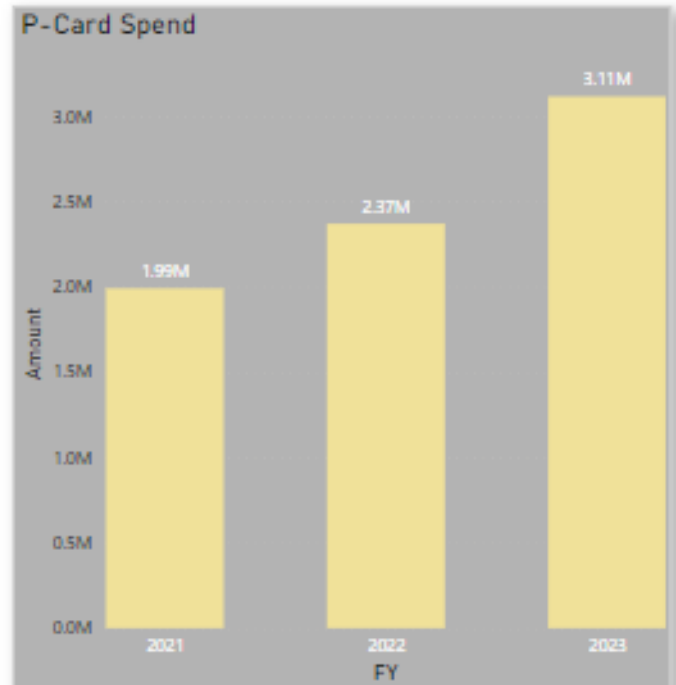
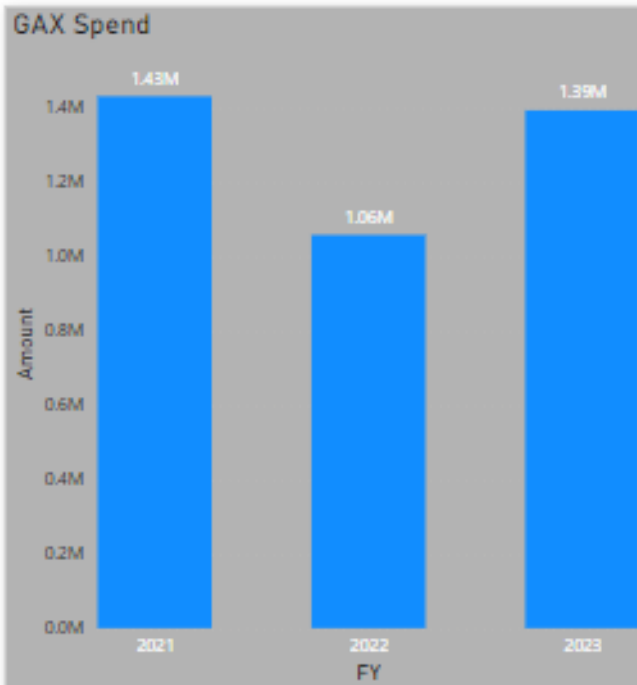
Category	Amount
Payments/Contractors-CIP Proj	8,837,984
WSSC Capacity Prov contracts	4,277,908
Electricity	2,584,486
Contracted Svcs – Grounds	1,935,440
Contracted Svcs – Other	1,224,392
Chemicals	850,242
Refuse Dump Fees	803,840
Gasoline and Oil	691,048
Liability Insurance	649,161

FY23 Top Vendor Spend for Purchase Orders and Master Agreements



Total GAX and P-Card Spend

The graphs provided represent the total dollar value spent for GAX and P-card payments for FY2021 thru FY2023.



There was a increase in GAX spend from F22 to FY23. This increase is primarily due to payments made pursuant to personnel settlement agreements.

The increase in P-Card spend, compared to previous years prior to the pandemic, is a result of inflation and increase in P-card spend from the City Manager's Office and Public Works.

FY23 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 sole source and emergency procurements in excess of \$30,000, that were processed during the FY23 period.

Department	Service Date	Procurement Method	Description of Goods/Services	Dollar Amount
City Manager	7/11/2022	Sole Source	Annual Maintenance and Support Agreement for R11 Broadcast and Editing Equipment	54,601
Information & Technology	12/5/2022	Sole Source	Renewal of Enterprise Agreement for GIS Software	55,000
Public Works	8/18/2022	Sole Source	Root Control in Sewer System Lines	87,000
Police	1/26/2023	Sole Source	Electronic Control Devices/Taser 7	155,500
Public Works	10/20/2022	Emergency	Emergency Repairs at Hurley Ave. Over Watts Bridge	133,544

Minority, Female, Disabled, or Veteran-Owned (MFD-V) Outreach Program

In FY2023, about 16% (\$4M) of Mayor and Council award items, including multiple award contracts, were awarded to MFD-V businesses.

FY2023 MFD-V outreach activities included the following:

- Held the first “Rockville Means Business” event with 75 registered and approximately 40 attendees in-person and virtually;
- Attended 2 participating agency outreach meetings/events;
- Exhibited the MFD-V outreach program and/or presented How to Do Business with the City, with MFD-V emphasis, at 3 events; and
- Conducted 24 formal one-on-one technical assistance meetings with businesses

This represents 30 activities where the Procurement Division had an opportunity to learn about MFD-V businesses and share ideas on how the City can make meaningful connections with these companies.

Other Items

Item	FY2021	FY2022	FY2023
Maryland Public Information Act (MPIA) Requests	13	8	12
Bid Protests	0	0	0
Terminated Contracts	1	0	0

Procurement Action Plan Items

Item	Anticipated Implementation
Procurement Strategic Plan	Spring/Summer 2024
Revisions to the Procurement Policies and Procedures (Procurement Guide)	Ongoing

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.

Glossary of Terms

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).