

2024



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

“Our destiny is not written for us, it’s written by us”

Barack Obama

2024 Overview

The Procurement Division provides procurement services for the City of Rockville. This annual report summarizes the procurement activities for Fiscal Year 2024 (July 1, 2023, through June 30, 2024). The Division issued or oversaw the issuance of 1,886 purchase orders and 8,709 orders against 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 FY2024 include:

- Successfully passed a grants audit conducted by the Metropolitan Washington Council of Governments (MWCOC);
- Several Procurement staff received recertifications for professional designations;
- Completed Phase I of the financial system upgrade;
- With assistance from the City Attorney's Office, completed a re-write of the terms and conditions for construction solicitations; and
- Continued the City-wide year-end training sessions, 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.

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.

FY2024 Highlights

- Increase in competitive procurement spend for Invitation for Bids from FY23 to FY24
- Decrease in PO change orders from FY23 to FY24
- No MA change orders by department
- No Emergency purchases >\$50,000

FY2024

Summary

Department	Total Expenditures	Purchase Orders (PO)	GAX Payments	P-card Payments	Master Agreements (MA)
City Attorney	75,740	10,213	25,797	10,778	28,952
City Manager's Office	3,129,139	1,977,377	35,764	658,359	457,639
Community Planning & Development Services	526,992	347,711	117,514	52,437	9,330
Housing & Community Development	1,282,488	1,158,753	82,520	41,215	-
Finance	371,719	310,002	15,803	14,922	30,992
Human Resources	512,373	254,825	115,109	54,127	88,312
Information & Technology	5,180,629	4,442,531	4,398	110,360	623,340
Mayor & Council/CCDCO	383,936	290,801	52,455	40,680	-
Police	3,332,206	750,761	88,760	130,928	2,361,757
Public Works	43,382,643	21,323,310	215,214	1,176,379	20,667,740
Recreation & Parks	11,874,859	4,032,027	419,172	908,939	6,514,721
Non-departmental	9,462,256	95,688	291,929	-	9,074,639
FY2024 TOTAL	79,514,980	34,993,999	1,464,435	3,199,124	39,857,422

FY2023 TOTAL	68,135,707
FY2022 TOTAL	57,875,754

The spend total for FY2024 increased by 17% over FY2023 which is a slightly less than the 18% increase from FY2022 to FY2023.

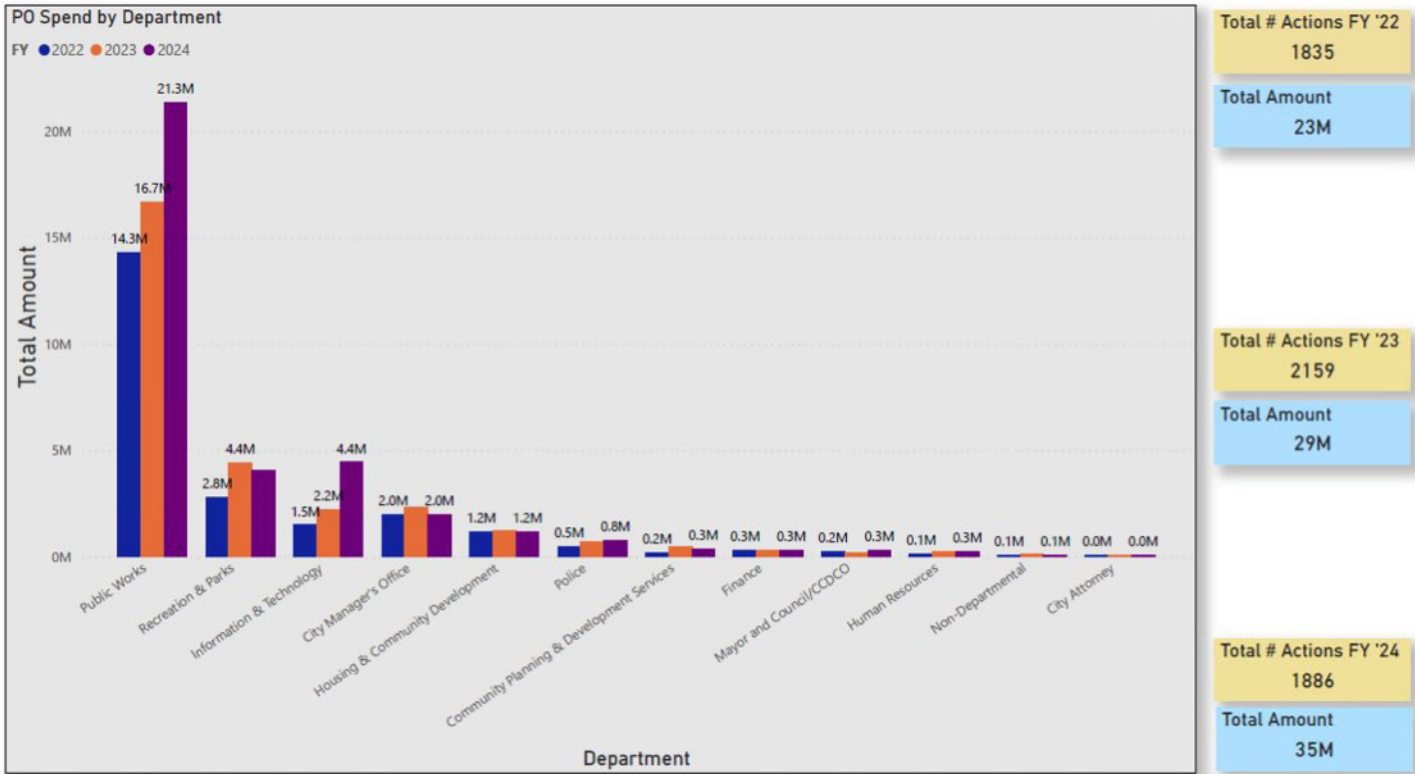
PO Amount Issued by Department

This table and graph represent the spend amount for purchase orders by City department for FY2022 thru FY2024. Purchase orders serve as an encumbrance of available funds and are often the result of a procurement process.

Department	2022	No. of Actions	2023	No. of Actions	2024	No. of Actions
City Attorney	3,565	12	28,068	14	10,213	13
City Manager's Office	1,990,375	94	2,315,093	114	1,977,377	82
Community Planning & Development Services	205,010	49	471,078	61	347,711	82
Housing & Community Development	1,152,788	213	1,234,043	198	1,158,753	191
Finance	294,663	19	305,961	19	310,002	21
Human Resources	134,956	33	261,019	25	254,825	22
Information & Technology	1,494,455	83	2,218,362	109	4,442,531	98
Mayor & Council/CCDCO	228,068	42	180,962	54	290,801	42
Police	463,785	30	726,837	38	750,761	48
Public Works	14,318,204	697	16,653,583	923	21,323,310	770
Recreation & Parks	2,797,114	557	4,407,507	589	4,032,027	493
Non-Departmental	60,000	6	103,657	15	95,688	24
TOTAL	23,142,983	1835	28,906,170	2159	34,993,999	1886

The increase in spend for Information & Technology is due to the purchase of various hardware, software, support and professional services for the Data Center. The increase in Public Works spend is due to spend and modifications relating to the 6 Taft Court Renovations.

PO Amount Issued by Department



PO Amount by Procurement Method

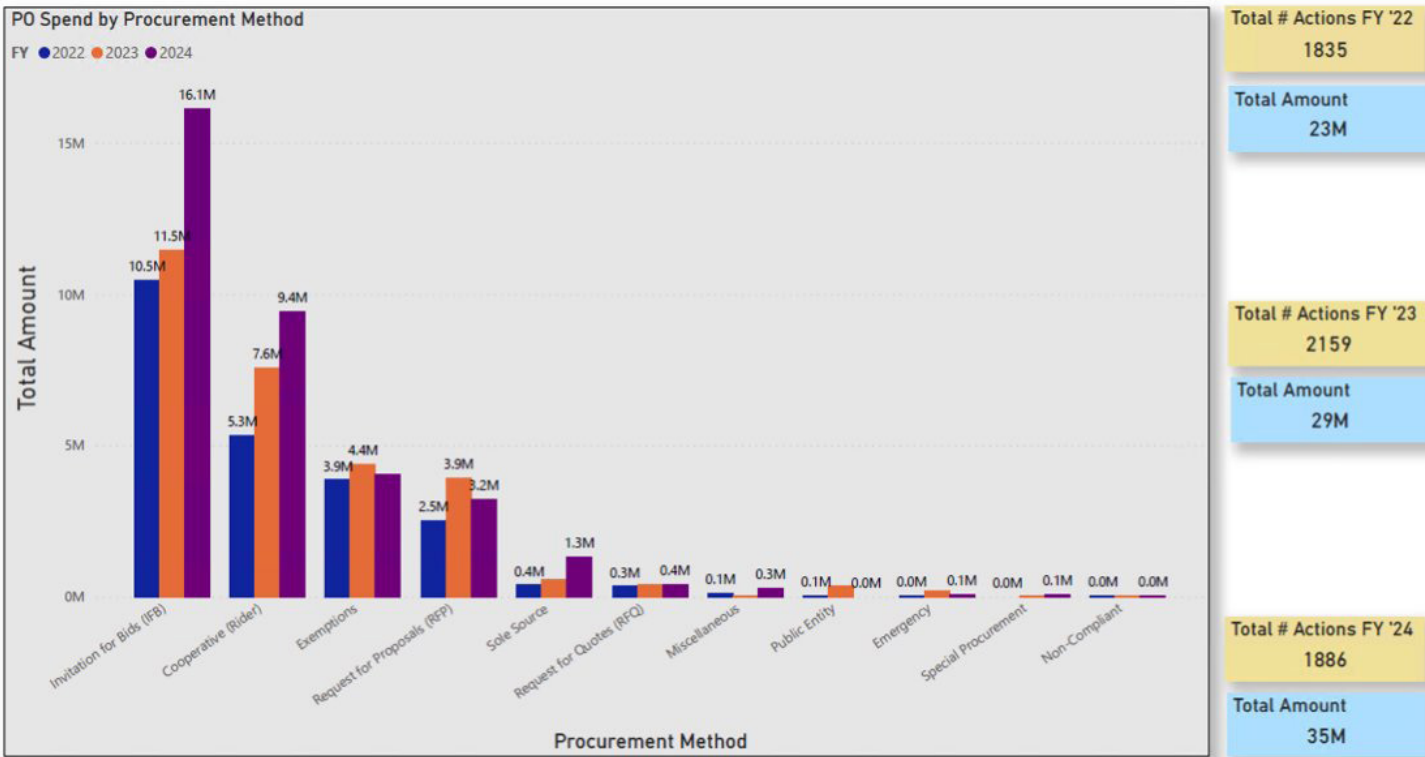
This table and graph represent the spend amount for purchase orders based on procurement methods for FY2022 thru FY2024.

Method	2022	No. of Actions	2023	No. of Actions	2024	No. of Actions
Emergency	20,998	7	200,741	10	91,661	5
Exemptions*	3,859,538	341	4,378,789	350	4,034,494	268
Invitation for Bids (IFB)	10,474,925	459	11,469,869	515	16,124,120	553
Miscellaneous	123,727	30	37,148	8	271,002	31
Public Entity	51,690	9	360,544	4	-	-
Request for Proposals (RFP)	2,526,100	285	3,921,506	414	3,231,024	368
Request for Quotes (RFQ)	347,556	93	384,250	107	410,375	123
Cooperative (Rider)	5,339,075	572	7,550,511	708	9,422,431	483
Sole Source	390,491	37	578,581	36	1,313,207	49
Special Procurement	-	-	3,567	1	89,699	5
Non-Compliant	8,883	2	20,664	6	5,986	1
TOTAL	23,142,983	1835	28,906,170	2159	34,993,999	1886

*Spend amounts for exemptions may include payments relating to grants

The highest PO spend by method for FY24 is Invitation for Bids (IFB), with the least spend by method being Non-Compliant purchases.

PO Amount by Procurement Method



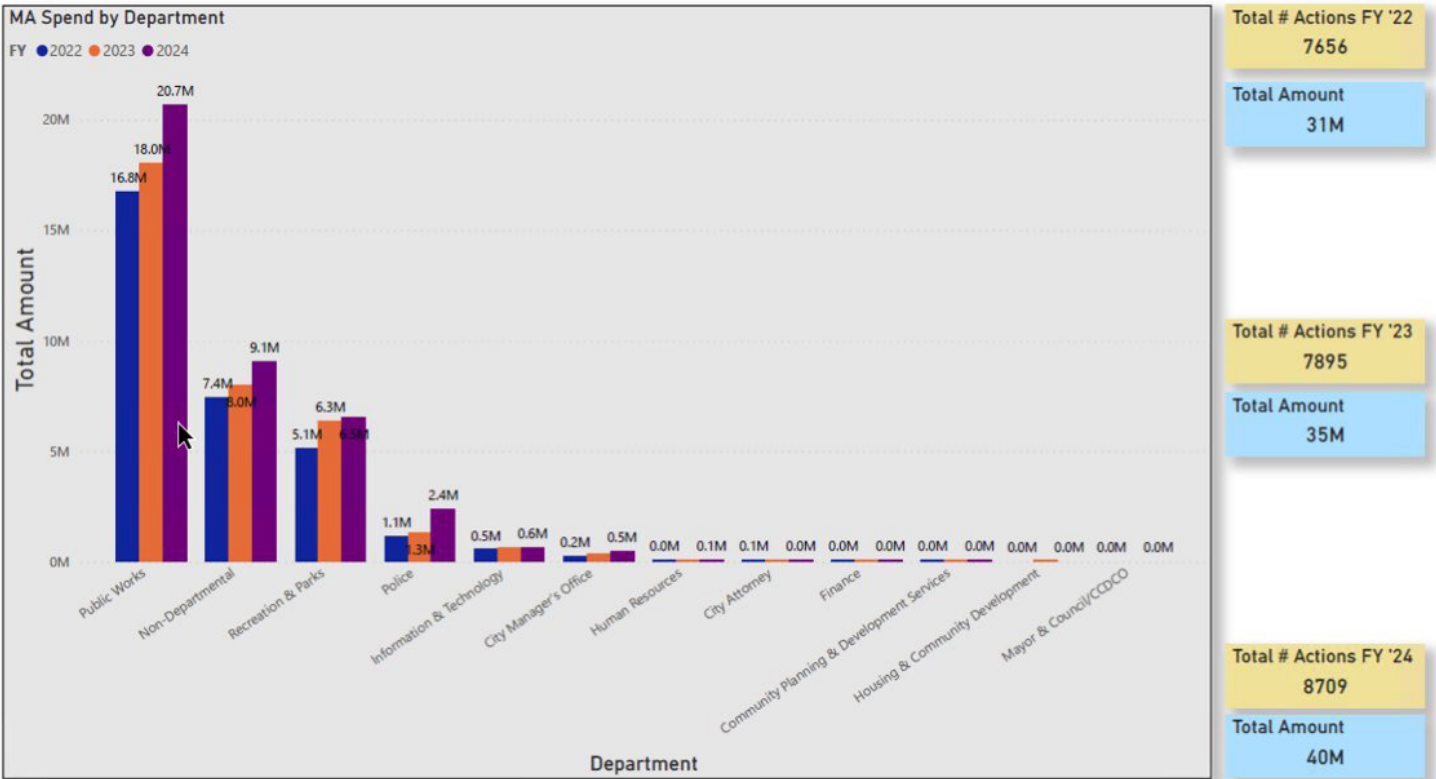
MA Amount Issued by Department

This table and graph represent the spend amount for master agreements by City department for FY2022 thru FY2024. Master agreements are often the result of a completed procurement process; however, funds are not encumbered until time of payment.

Department	2022	No. of Actions	2023	No. of Actions	2024	No. of Actions
City Attorney	53,185	19	31,875	10	28,952	6
City Manager's Office	219,290	118	344,002	144	457,639	121
Community Planning & Development Services	12,590	14	13,744	32	9,330	1
Housing & Community Development	-	-	1,946	5	-	-
Finance	30,995	28	29,697	34	30,992	69
Human Resources	30,367	39	56,367	60	88,312	83
Information & Technology	548,753	489	602,873	504	623,340	494
Mayor & Council/CCDCO	-	-	-	-	-	-
Police	1,124,411	361	1,300,023	442	2,361,757	494
Public Works	16,763,218	2284	18,030,686	2385	20,667,740	2943
Recreation & Parks	5,112,875	3869	6,336,179	3842	6,514,721	3995
Non-Departmental	7,411,371	435	7,976,662	437	9,074,639	503
TOTAL	31,307,055	7656	34,724,054	7895	39,857,422	8709

The increase in Police spend is due to payments relating to the Traffic Photo Enforcement Services contract. The increase in Public Works spend is due to the contract with WSSC for Blue Plains Water and Sewer. The increase in non-departmental spend is associated with payment to the City's third-party benefits administrator.

MA Amount Issued by Department



MA Amount by Procurement Method

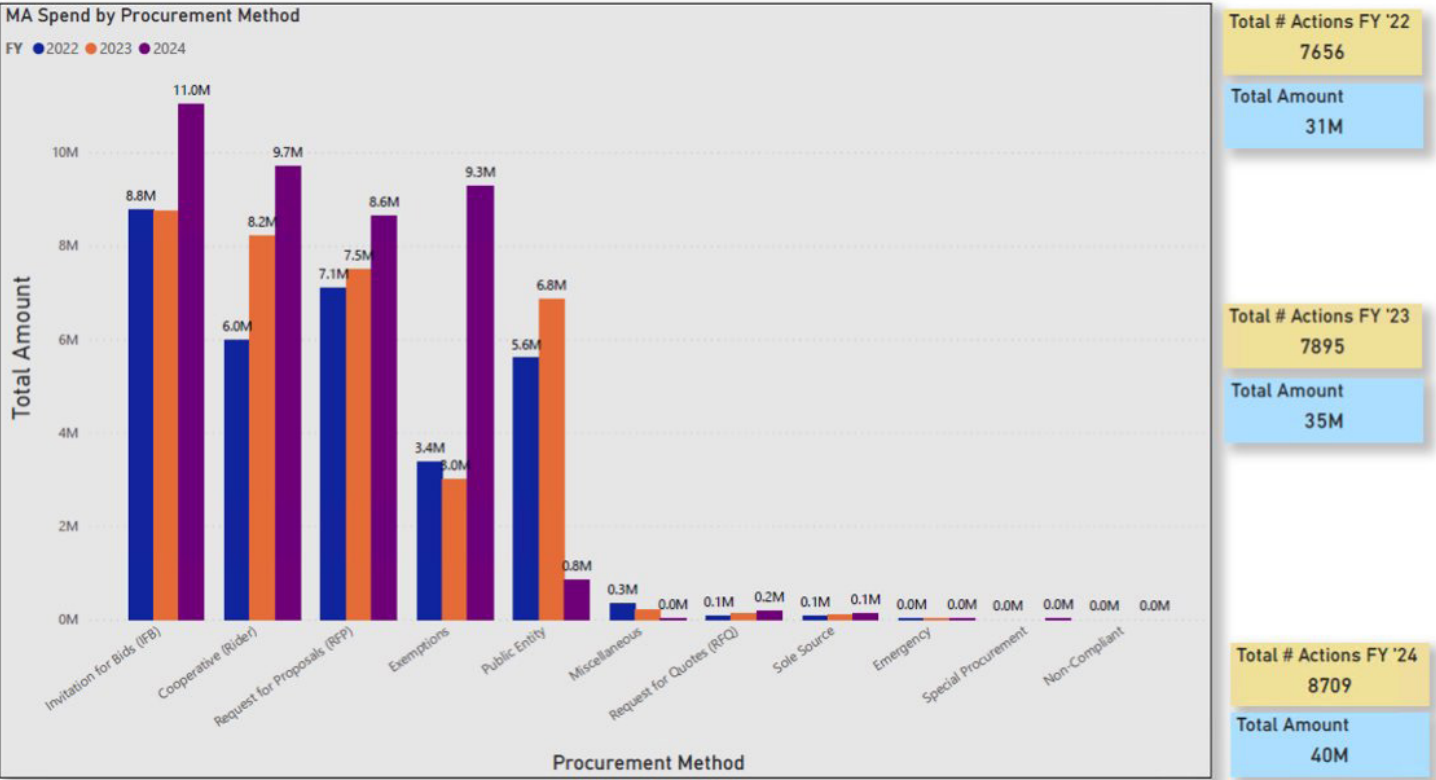
This table represents the spend amount for master agreements by procurement method for FY2022 thru FY2024.

Method	2022	No. of Actions	2023	No. of Actions	2024	No. of Actions
Emergency	2,558	8	6,878	6	26,080	25
Exemptions*	3,377,497	924	3,000,384	1181	9,265,704	1058
Invitation for Bids (IFB)	8,769,828	909	8,748,408	941	11,041,507	1064
Miscellaneous	345,346	70	194,405	18	1,692	10
Public Entity	5,595,203	19	6,848,046	14	840,867	55
Request for Proposals (RFP)	7,099,017	374	7,496,757	365	8,645,213	485
Request for Quotes (RFQ)	68,237	120	119,469	109	185,820	125
Cooperative (Rider)	5,977,160	5212	8,206,467	5244	9,705,789	5861
Sole Source	72,209	20	103,240	17	127,321	14
Special Procurement	-	-	-	-	17,429	12
Non-Compliant	-	-	-	-	-	-
TOTAL	31,307,055	7656	34,724,054	7895	39,857,422	8709

*Spend amounts for exemptions may include payments relating to grants

The highest MA spend by method for FY24 is Invitation for Bids (IFB), with the least spend by method being Miscellaneous 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 FY2022 thru FY2024. The highest percentage of competitive procurements include Invitation for Bids (IFB). The highest number of non-competitive procurements includes cooperative (rider) contracts and exempt procurements.

COMPETITIVE

Procurement Method	FY2022	FY2023	FY2024
Invitation for Bids (IFB)	36%	32%	36%
Request for Proposals (RFP)	17%	17%	16%
Request for Quotes (RFQ)	1%	1%	1%
Total	54%	50%	53%

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

NON-COMPETITIVE

Procurement Method	FY2022	FY2023	FY2024
Cooperative (Rider)	21%	25%	26%
Exempt	13%	12%	18%
Sole Source	1%	1%	2%
*Misc.	1%	<1%	<1%
Emergency	<1%	<1%	<1%
Special Procurement	<1%	<1%	<1%
Public Entity	10%	12%	1%
Non-Compliant	<1%	<1%	<1%
Total	46%	50%	47%

*Miscellaneous spend includes purchases within the small dollar, non-competitive threshold 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 FY2022 thru FY2024.

Department	2022	No. of Actions	2023	No. of Actions	2024	No. of Actions
City Manager's Office	13,481	8	41,530	2	1,250	1
Community Planning & Development Services	12,690	1	65,089	10	9,000	1
Housing & Community Development	51,825	10	36,994	9	64,034	8
Finance	-	-	-	-	-	-
Human Resources	793	1	-	*1	-	-
Information & Technology	3,426	2	137,929	8	6,403	1
Police	-	-	5,320	2	3,830	1
Mayor & Council/CCDCO	-	-	9,637	1	-	-
Public Works	782,079	27	905,158	38	601,631	18
Recreation & Parks	359,087	15	273,647	16	189,390	9
Non-departmental			2,240	3		
Total	1,223,381	64	1,477,544	90	875538	39

*Represents a non-monetary change

There was an overall decrease in change order/modification spend. The increase in PO change order spend for Housing and Community Development from FY23 to FY24, is due to changes/modifications associated with CDBG projects.

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 FY2022 thru FY2024.

Department	2022	No. of Actions	2023	No. of Actions	2024	No. of Actions
City Attorney	-	-	-	-	-	-
City Manager's Office	7,000	7	17,637	8	-	-
Community Planning & Development Services	-	*1	-	-	-	-
Housing & Community Development	-	-	-	-	-	-
Finance	-	-	-	-	-	-
Human Resources	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public Works	-13,427	7	2,000	3	-	-
Recreation & Parks	-	*21	-	-	-	-
Total	-6,427	36	19,637	11	-	-

*Represents a non-monetary change

There were no change orders/modifications for master agreements during FY2024.

FY24 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 FY2024. This table does not reflect all object classes or categories.

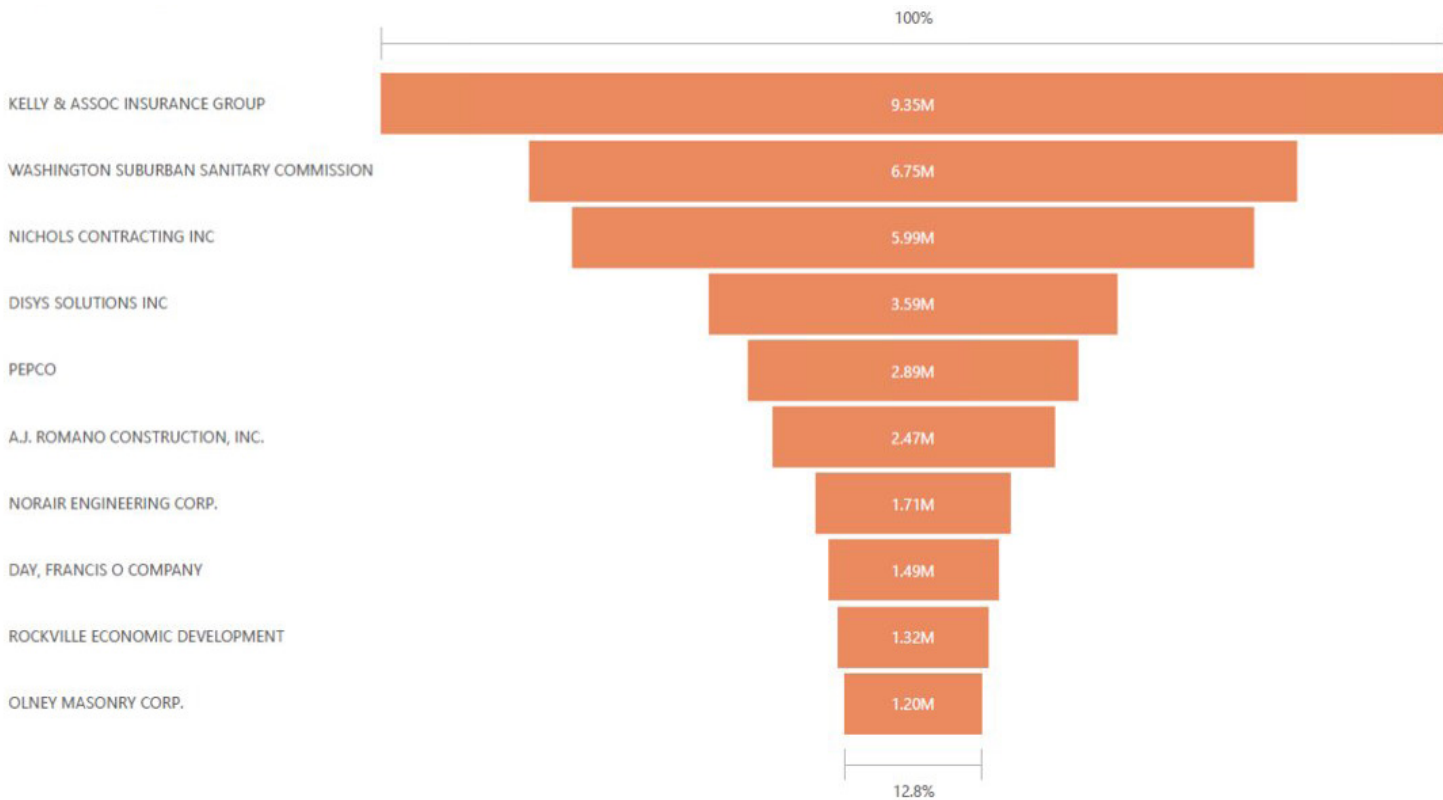
Category	Amount
Payments/Contractors-CIP Proj	15,638,476
Vehicle Replacement	2,824,455
Other CIP Expenditures	2,812,479
Planning/Design CIP	2,247,593
Software Maintenance Subscriptions	1,757,738
Contracted Svcs – Grounds	1,073,602
Consultants	775,548
Furniture and Equipment	554,782
Contract Repairs	437,791

FY24 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 FY2024. This table does not reflect all object classes or categories.

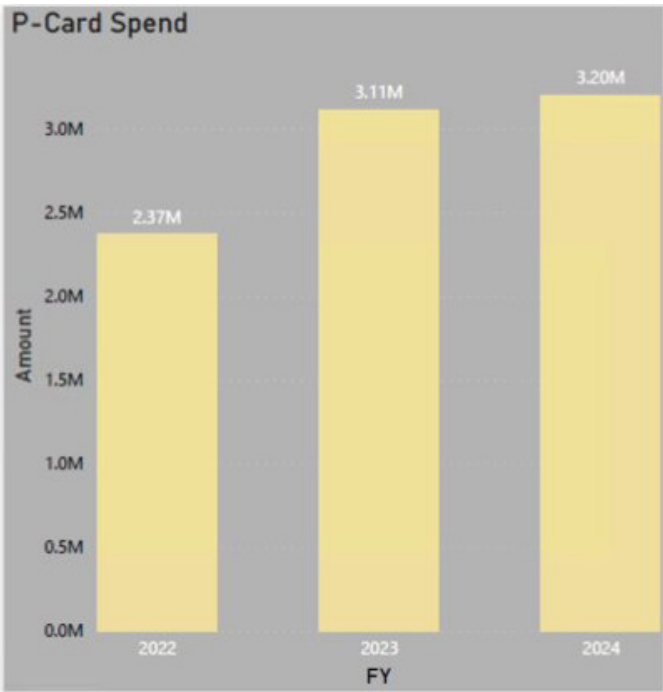
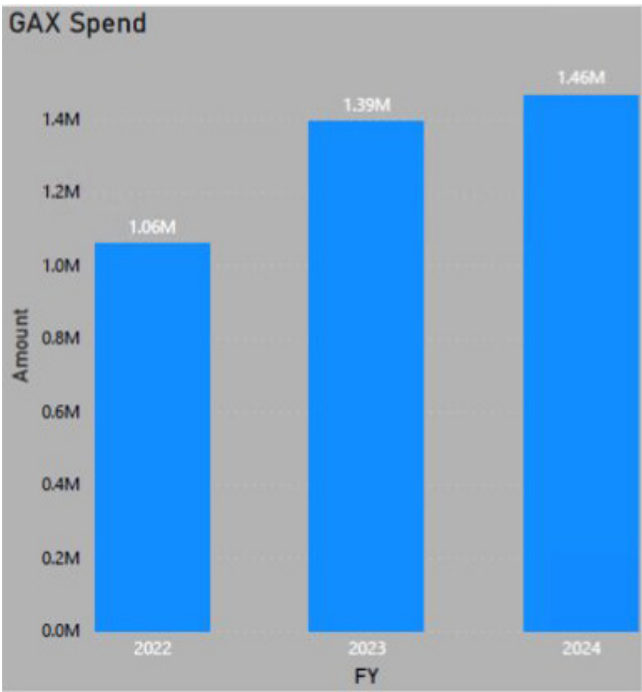
Category	Amount
Payments/Contractors-CIP Proj	9,725,317
WSSC Capacity Prov contracts	4,091,645
Electricity	2,908,371
Contracted Svcs – Other	2,279,395
Contracted Svcs – Grounds	1,782,911
Chemicals	1,222,943
Refuse Dump Fees	905,357
Vehicle Leasing	834,836
Liability Insurance	716,489

FY24 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 FY2022 thru FY2024.



The increase in GAX spend from FY23 to FY24 is primarily due to payments made pursuant to personnel settlement agreements.

There were no significant increases or decreases in P-card spend.

FY24 Emergency and Sole Source Procurements

In accordance with sections 17-82(d) and 17-84(g) of the City Code, provided below are all sole source procurements in excess of \$30,000. There were no emergency procurements in excess of \$50,000, that were processed during the FY24 period.

Department	Service Date	Procurement Method	Description of Goods/Services	Dollar Amount
Public Works	7/11/2022	Sole Source	Annual Maintenance and Support Agreement for R11 Broadcast and Editing Equipment	54,601
Public Works	4/16/2024	Sole Source	Internal Electromagnetic Inspection of 24-inch pre-stressed concrete cylinder pipe	909,900
Public Works	2/28/2024	Sole Source	Root Control in Sewer System Lines	87,000
City Manager	1/24/2023	Sole Source	Annual Maintenance and Support Agreement for R11 Broadcast and Editing Equipment	59,914
Mayor and Council	11/15/2023	Sole Source	Mail-in Ballots	36,210

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

In FY2024, about 21% (\$3.4M) of all award items, including multiple award contracts, were awarded to MFD-V businesses.

FY2024 MFD-V outreach activities included the following:

- 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 10 events; and
- Conducted 11 formal one-on-one technical assistance meetings with businesses.

This represents 23 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.

	FY23	FY22	FY21
Award Amount to MFD-V Businesses	\$4M	\$1M	\$4.1M
Award Percentage	16%	7%	11%

Other Items

Item	FY2022	FY2023	FY2024
Maryland Public Information Act (MPIA) Requests	8	12	14
Bid Protests	0	0	0
Terminated Contracts	0	0	0

Procurement Action Plan Items:

Item	Anticipated Implementation
Procurement Strategic Plan	Complete
Revisions to the Procurement Policies and Procedures (Procurement Guide)	Ongoing
Establish a Strategic Sourcing Plan	Ongoing

FY24 Performance Measures:

Performance Measure #1	Adopted	Actual
Percent of total contract value saved/avoided due to the utilization of competitive procurement (formal and informal) processes under City Code Chapter 17 (Target: >20%)	≥ 50%	30%

Comment: Having achieved a 30% cost savings in FY23, the Procurement Division set an extremely ambitious goal of 50% for FY24 in an economic sector that typical averages between 5% and 10% for any given year. Cost savings can fluctuate greatly depending on variability associated with the number of large dollar projects solicited, cooperative riders utilized, solicitations performed, and negotiations conducted in any given year. Additionally, the types of goods and services that do not require re-solicitation due to contract renewal options, along with market changes, shifts in suppliers and supplier relationships, together with other factors such as negotiation strategies and outcomes, as well as market and industry dynamics, all make the ability to forecast cost savings from one year to the next extremely difficult. Target measures will be adjusted in future years.

Performance Measure #2	Adopted	Actual
Percent of internal customers rating the procurement processes and service levels as “good” or “excellent” based on internal customer survey (Target: >75%)	≥ 78%	72%

Comment: Customers appreciate the hard-work, diligence, and professionalism of procurement staff. Other comments received were regarding restrictions on spending limits and the need to update procurement spend thresholds, processing times, updates to procurement procedures, and availability of information as it relates to active procurements. Revisions to the procurement thresholds within Chapter 17 of the Procurement code were adopted on September 16, 2024. Procurement is drafting necessary updates to the procurement procedures to include an update of estimated processing times.

Performance Measure #3	Adopted	Actual
Percent of total solicitations to which MFD-V vendors have responded	25%	36%

Comment: Procurement will continue outreach, education, and engagement with MFD-V vendors regarding the City’s bidding process and to solicit feedback that will better assist in increasing bid participation.

FY24 Performance Measures:

Performance Measure #4	Adopted	Actual
Of the percent of solicitations referenced above, percent that were awarded to MFD-V vendors	10%	24%

Comment: Procurement will continue outreach, education, and engagement with MFD-V vendors regarding the City's bidding process and to solicit feedback that will better assist in increasing bid participation.

Performance Measure #5	Adopted	Actual
Percent of all procurement methods meeting the agreed-upon time-line based on the procurement processing times as outlined in the Procurement Guide	75%	73%

Comment: Procurement is drafting necessary updates to the procurement procedures to include an update of estimated processing times.

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).