

City of Rockville **Procurement Annual Report** **2025**



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Procurement Department 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 strength of the team is each individual member. The strength of each member is the team.”

Phil Jackson

2025 Overview

The Procurement Department provides procurement services for the City of Rockville. This annual report summarizes the procurement activities for Fiscal Year 2025 (July 1, 2024, through June 30, 2025). The Department issued or oversaw the issuance of 1,980 purchase orders and 8,710 orders against master agreements. In addition to purchase order and master agreement transactions, the Department also tracks spending for GAX payments, P-card payments, and change orders. The Procurement Department continues to improve the procurement function within the City through policy, technology, vendor outreach, and staff development.

Highlights from FY2025 include:

- Procurement becoming its own Department within the City;
- Completing and implementation of the FY25-FY27 Procurement Strategic Plan; and
- Successfully amending Chapter 17 of the Rockville City Code, to revise certain provisions and amend the procurement spend thresholds and to add reporting requirements.

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

FY2025 Highlights

- Increase in competitive procurement spend for Invitation for Bids from FY24 to FY25
- No non-compliant purchases for Purchase Orders and Master Agreements
- No bid protests or terminated contracts

FY2025

Summary

Department	Total Expenditures	Purchase Orders (PO)	GAX Payments	P-card Payments	Master Agreements (MA)
City Attorney	85,985	35,547	31,789	6,202	12,447
City Manager's Office	3,753,323	2,730,108	71,920	726,356	224,939
Community Planning & Development Services	515,742	309,064	153,921	52,757	-
Housing & Community Development	1,495,350	1,346,895	54,921	46,534	47,000
Finance	339,368	284,347	15,681	9,094	30,246
Human Resources	1,127,045	271,390	162,086	70,061	623,508
Information & Technology	4,106,468	3,020,294	25,168	72,094	988,912
Mayor & Council/CCDCO	220,000	151,063	37,105	31,832	-
Police	4,684,160	2,031,451	179,055	150,954	2,322,700
Public Works	43,610,803	17,048,093	279,069	1,306,539	24,977,102
Recreation & Parks	27,077,625	17,240,023	691,686	959,108	8,186,808
Non-departmental	9,949,914	57,500	306,525	557	9,585,332
FY2025 TOTAL	96,965,783	44,525,775	2,008,926	3,432,088	46,998,994

FY2024 TOTAL	79,514,980
FY2023 TOTAL	68,135,707

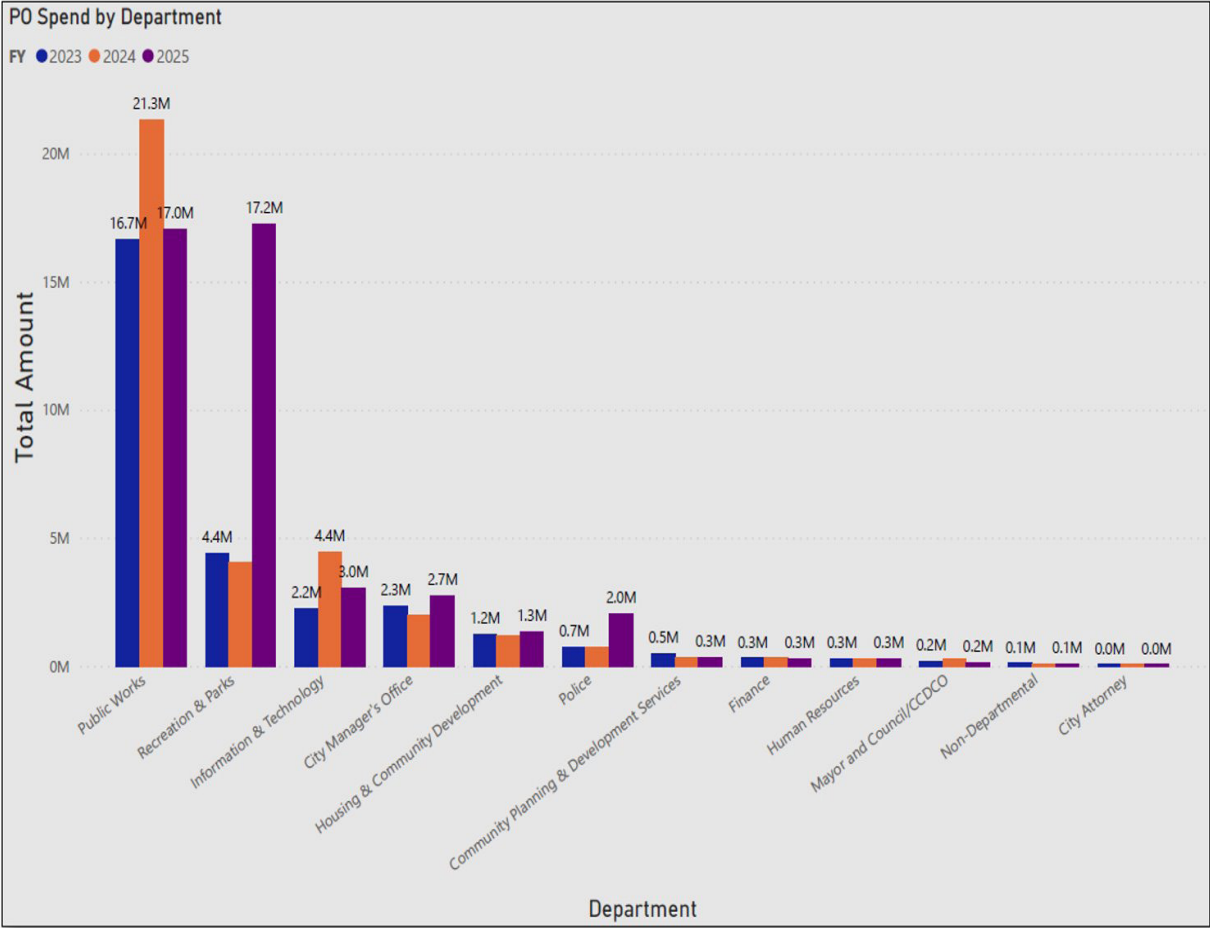
PO Amount Issued by Department

This table and graph represent the spend amount for purchase orders by City department for FY2023 thru FY2025. Purchase orders serve as an encumbrance of available funds and are often the result of a procurement process.

Department	2023	No. of Actions	2024	No. of Actions	2025	No. of Actions
City Attorney	28,068	14	10,213	13	35,547	13
City Manager's Office	2,315,093	114	1,977,377	82	2,730,108	107
Community Planning & Development Services	471,078	61	347,711	82	309,064	79
Housing & Community Development	1,234,043	198	1,158,753	191	1,346,895	199
Finance	305,961	19	310,002	21	284,347	20
Human Resources	261,019	25	254,825	22	271,390	25
Information & Technology	2,218,362	109	4,442,531	98	3,020,294	110
Mayor & Council/CCDCO	180,962	54	290,801	42	151,063	24
Police	726,837	38	750,761	48	2,031,451	45
Public Works	16,653,583	923	21,323,310	770	17,048,093	741
Recreation & Parks	4,407,507	589	4,032,027	493	17,240,023	614
Non-Departmental	103,657	15	95,688	24	57,500	3
TOTAL	28,906,170	2159	34,993,999	1886	44,525,775	1980

The increase in spend for Police is due to the purchase of the replacement of portable and mobile radios. The increase in Recreation & Parks spend is due to spend and modifications relating to the Outdoor Recreation Pool Renovations.

PO Amount Issued by Department



Total # Actions FY '23
2159

Total Amount
29M

Total # Actions FY '24
1886

Total Amount
35M

Total # Actions FY '25
1980

Total Amount
45M

PO Amount by Procurement Method

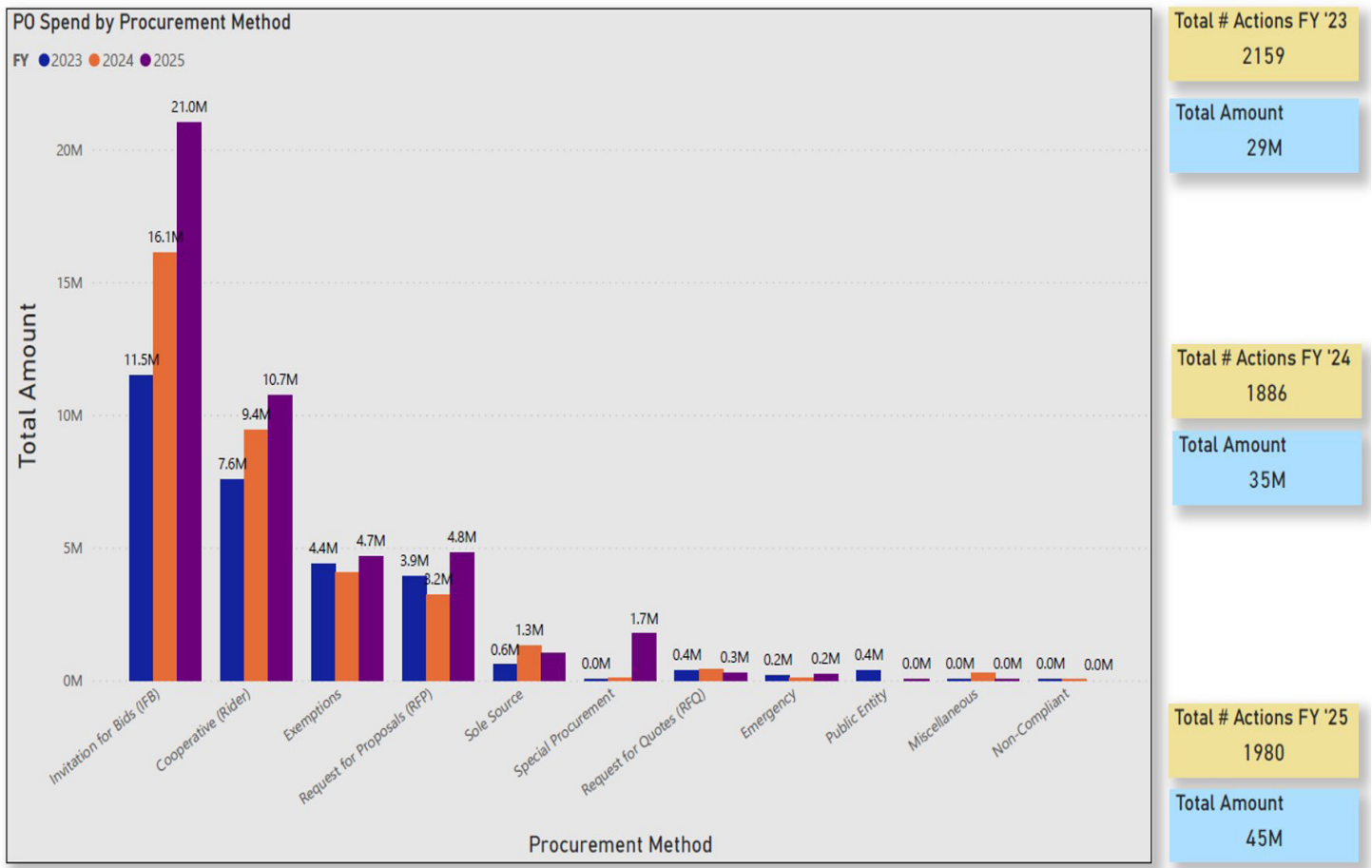
This table and graph represent the spend amount for purchase orders based on procurement methods for FY2023 thru FY2025.

Method	2023	No. of Actions	2024	No. of Actions	2025	No. of Actions
Emergency	200,741	10	91,661	5	221,375	5
Exemptions*	4,378,789	350	4,034,494	268	4,668,444	319
Invitation for Bids (IFB)	11,469,869	515	16,124,120	553	21,030,944	593
Miscellaneous	37,148	8	271,002	31	486	1
Public Entity	360,544	4	-	-	3,763	21
Request for Proposals (RFP)	3,921,506	414	3,231,024	368	4,797,640	377
Request for Quotes (RFQ)	384,250	107	410,375	123	280,203	77
Cooperative (Rider)	7,550,511	708	9,422,431	483	10,745,838	533
Sole Source	578,581	36	1,313,207	49	1,032,523	42
Special Procurement	3,567	1	89,699	5	1,744,559	12
Non-Compliant	20,664	6	5,986	1	-	-
TOTAL	28,906,170	2159	34,993,999	1886	44,525,775	1980

*Spend amounts for exemptions may include payments relating to grants

The highest PO spend by method for FY25 is Invitation for Bids (IFB), with no spend associated with non-compliant purchases.

PO Amount by Procurement Method



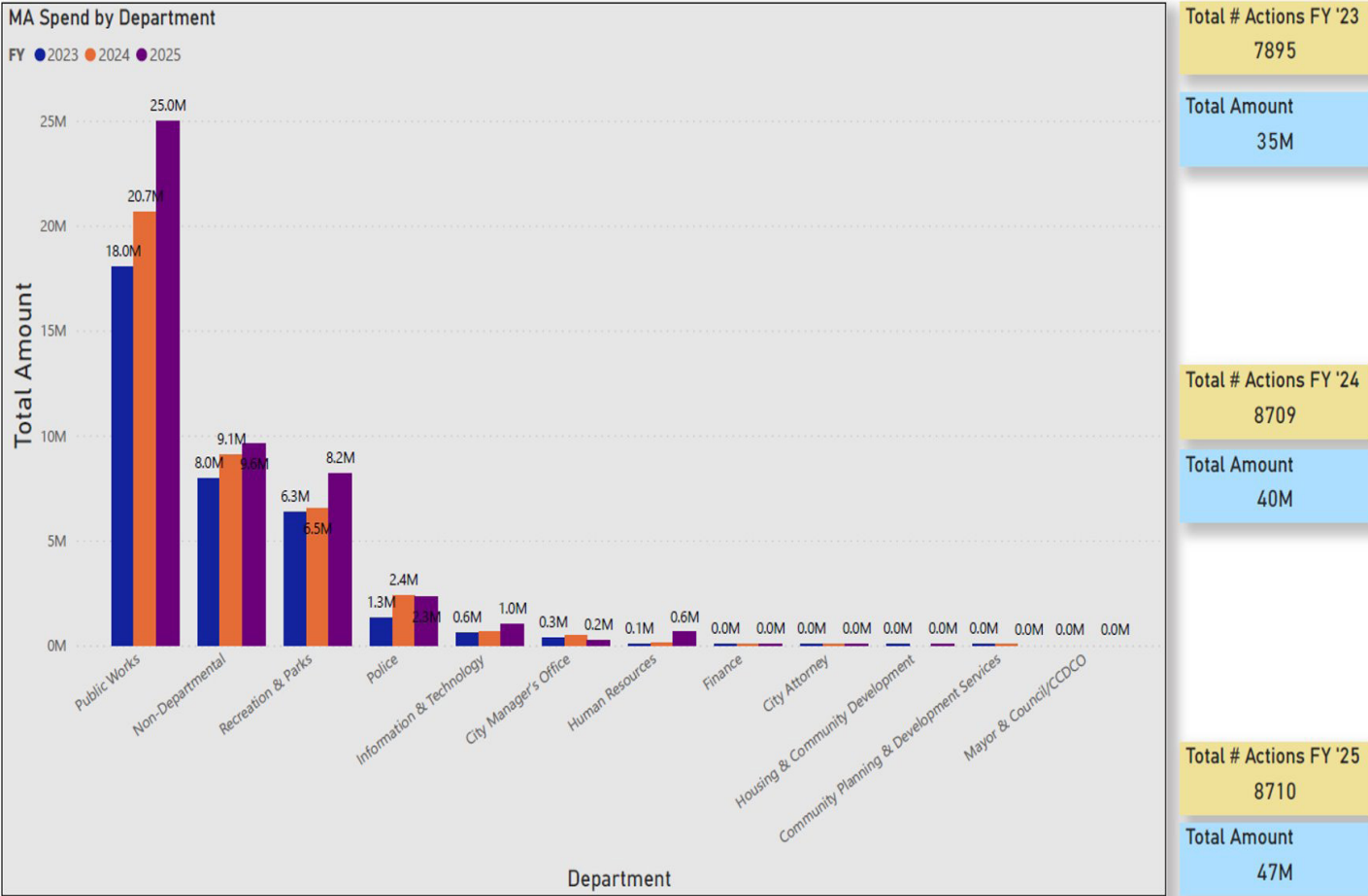
MA Amount Issued by Department

This table and graph represent the spend amount for master agreements by City department for FY2023 thru FY2025. Master agreements are often the result of a completed procurement process; however, funds are not encumbered until time of payment.

Department	2023	No. of Actions	2024	No. of Actions	2025	No. of Actions
City Attorney	31,875	10	28,952	6	12,447	11
City Manager's Office	344,002	144	457,639	121	224,939	124
Community Planning & Development Services	13,744	32	9,330	1	-	-
Housing & Community Development	1,946	5	-	-	47,000	3
Finance	29,697	34	30,992	69	30,246	87
Human Resources	56,367	60	88,312	83	623,508	75
Information & Technology	602,873	504	623,340	494	988,912	386
Mayor & Council/ CCDCO	-	-	-	-	-	-
Police	1,300,023	442	2,361,757	494	2,322,700	534
Public Works	18,030,686	2385	20,667,740	2943	24,977,102	3114
Recreation & Parks	6,336,179	3842	6,514,721	3995	8,186,808	3598
Non-Departmental	7,976,662	437	9,074,639	503	9,585,332	778
TOTAL	34,724,054	7895	39,857,422	8709	46,998,994	8710

The increase in Human Resources spend is due to payments associated with personnel related legal services. The increase in Information and Technology spend is associated with Cloud subscription fees for the City's financial system. 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

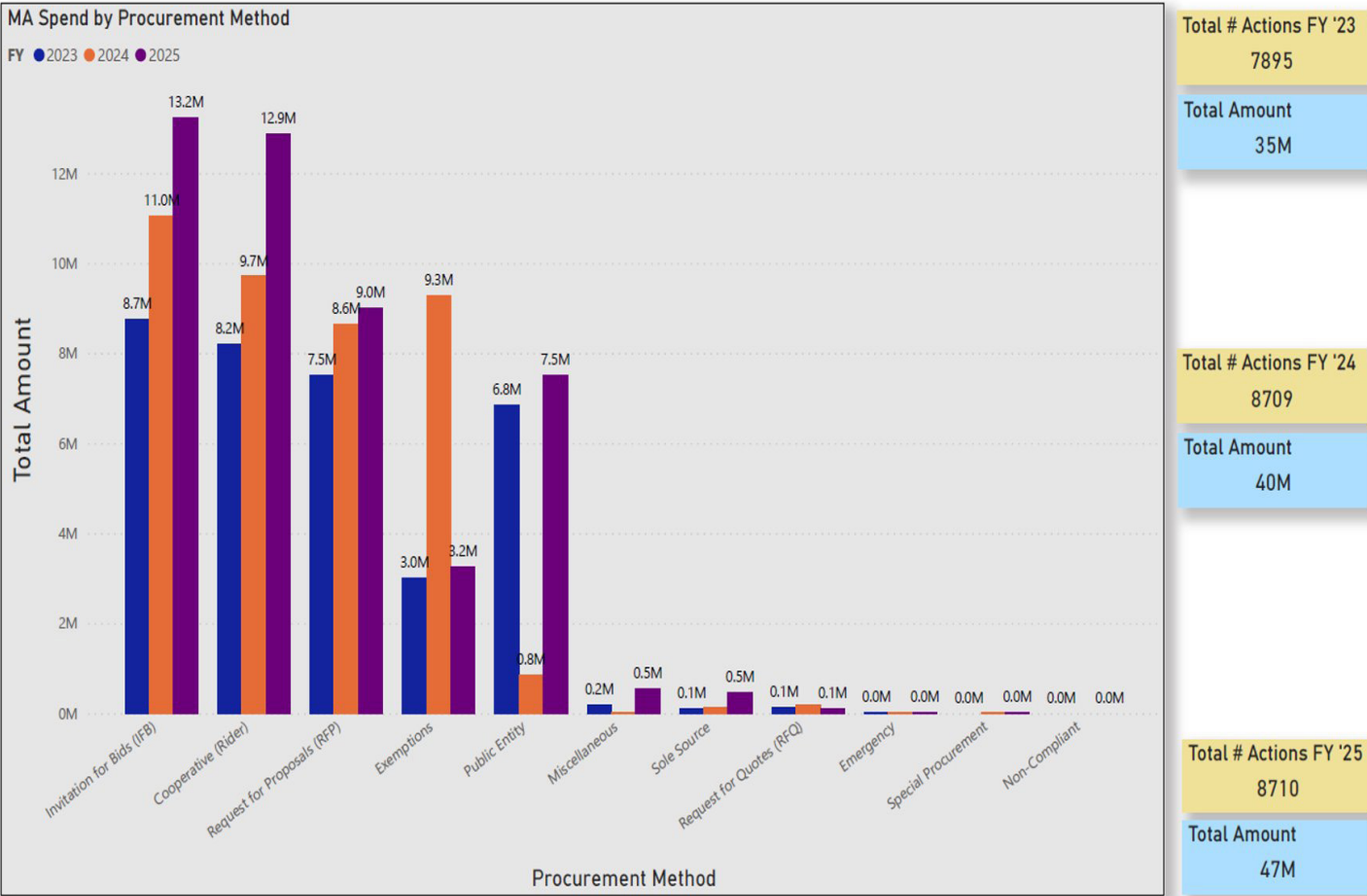
This table represents the spend amount for master agreements by procurement method for FY2023 thru FY2025.

Method	2023	No. of Actions	2024	No. of Actions	2025	No. of Actions
Emergency	6,878	6	26,080	25	13,375	15
Exemptions*	3,000,384	1181	9,265,704	1058	3,244,952	1152
Invitation for Bids (IFB)	8,748,408	941	11,041,507	1064	13,229,180	1053
Miscellaneous	194,405	18	1,692	10	543,582	7
Public Entity	6,848,046	14	840,867	55	7,516,223	20
Request for Proposals (RFP)	7,496,757	365	8,645,213	485	8,992,981	588
Request for Quotes (RFQ)	119,469	109	185,820	125	114,104	62
Cooperative (Rider)	8,206,467	5244	9,705,789	5861	12,870,972	5788
Sole Source	103,240	17	127,321	14	454,791	12
Special Procurement	-	-	17,429	12	18,834	13
Non-Compliant	-	-	-	-	-	-
TOTAL	34,724,054	7895	39,857,422	8709	46,998,994	8710

*Spend amounts for exemptions may include payments relating to grants

The highest MA spend by method for FY25 is Invitation for Bids (IFB), with no spend associated with non-compliant 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 FY2023 thru FY2025. The highest percentage of competitive procurements include Invitation for Bids (IFB). The highest number of non-competitive procurements includes cooperative (rider) contracts.

Competitive Methods

Procurement Method	FY2023	FY2024	FY2025
Invitation for Bids (IFB)	32%	36%	37%
Request for Proposals (RFP)	17%	16%	14%
Request for Quotes (RFQ)	1%	1%	<1%
Total	50%	53%	51%

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

Non-Competitive Methods

Procurement Method	FY2023	FY2024	FY2025
Cooperative (Rider)	25%	26%	26%
Exempt	12%	18%	9%
Sole Source	1%	2%	2%
*Misc.	<1%	<1%	1%
Emergency	<1%	<1%	<1%
Special Procurement	<1%	<1%	2%
Public Entity	12%	1%	9%
Non-Compliant	<1%	<1%	<1%
Total	50%	47%	49%

*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 FY2023 thru FY2025.

Department	2023	No. of Actions	2024	No. of Actions	2025	No. of Actions
City Manager's Office	41,530	2	1,250	1	1,000	1
Community Planning & Development Services	65,089	10	9,000	1	31,125	2
Housing & Community Development	36,994	9	64,034	8	55,242	5
Finance	-	-	-	-	-	-
Human Resources	-	*1	-	-	2,663	1
Information & Technology	137,929	8	6,403	1	67,403	3
Police	5,320	2	3,830	1	10,656	1
Mayor & Council/CCDCO	9,637	1	-	-	-	-
Public Works	905,158	38	601,631	18	3,307,422	43
Recreation & Parks	273,647	16	189,390	9	563,455	22
Non-departmental	2,240	3	-	-	-	-
Total	1,477,544	90	875,538	39	4,038,966	78

*Represents a non-monetary change

The increase in PO change order spend for Community Planning and Development Services from FY24 to FY25, is due to changes/modifications associated with the Residential Guide Design project. The increase in PO change order spend for Information & Technology is due to changes/modifications associated with IT related consulting services. The increase in PO change order spend for Public Works is for the 6 Taft Court – Phase I Renovations as well as the Water Treatment Plant Master Plan. The increase in PO change order spend for Recreation & Parks is associated with modifications relating to the Outdoor Recreation Pool Renovations

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 FY2023 thru FY2025.

Department	2023	No. of Actions	2024	No. of Actions	2025	No. of Actions
City Attorney	-	-	-	-	-	-
City Manager's Office	17,637	8	-	-	-	*1
Community Planning & Development Services	-	-	-	-	-	-
Housing & Community Development	-	-	-	-	-	-
Finance	-	-	-	-	-	*2
Human Resources	-	-	-	-	-	-
Information & Technology	-	-	-	-	-	*1
Police	-	-	-	-	-	*2
Public Works	2,000	3	-	-	-	*1
Recreation & Parks	-	-	-	-	570	2
Total	19,637	11	-	-	570	9

*Change order reflects a non-monetary change

There were few change orders/modifications for master agreements during FY2025 with the majority being for non-monetary changes.

FY25 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 FY2025. This table does not reflect all object classes or categories.

Category	Amount
Payments/Contractors-CIP Proj	22,118,340
Planning/Design CIP	2,096,950
Software Maintenance Subscriptions	1,982,503
Furniture and Equipment	1,911,862
Vehicle Replacement	1,560,088
Consultants	1,072,455
Other CIP Expenditures	1,028,382
Contracted Services - Grounds	811,456
Major Repairs	711,531

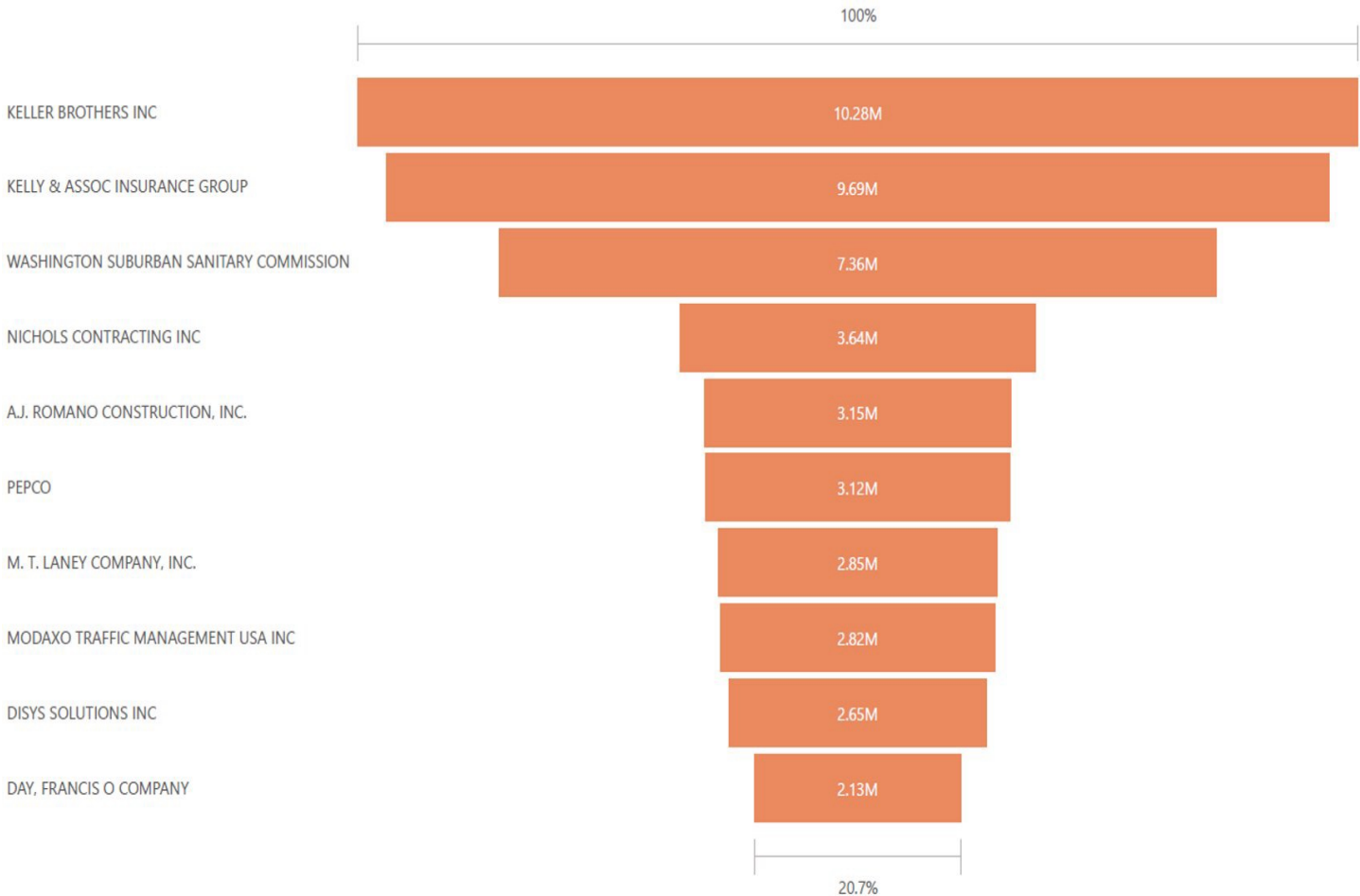
FY25 Top Expenditures by Type– Master Agreements

This table provides the spend amount of the top expenditures based on contract type or commodity by master agreements for FY2025. This table does not reflect all object classes or categories.

Category	Amount
Payments/Contractors-CIP Proj	14,138,925
WSSC Capacity Prov contracts	4,478,576
Electricity	3,143,424
Contracted Svcs – Other	2,224,294
Contracted Svcs – Grounds	2,169,451
Vehicle Leasing	1,113,317
Chemicals	1,079,644
Liability Insurance	928,702
Refuse Dump Fees	870,992

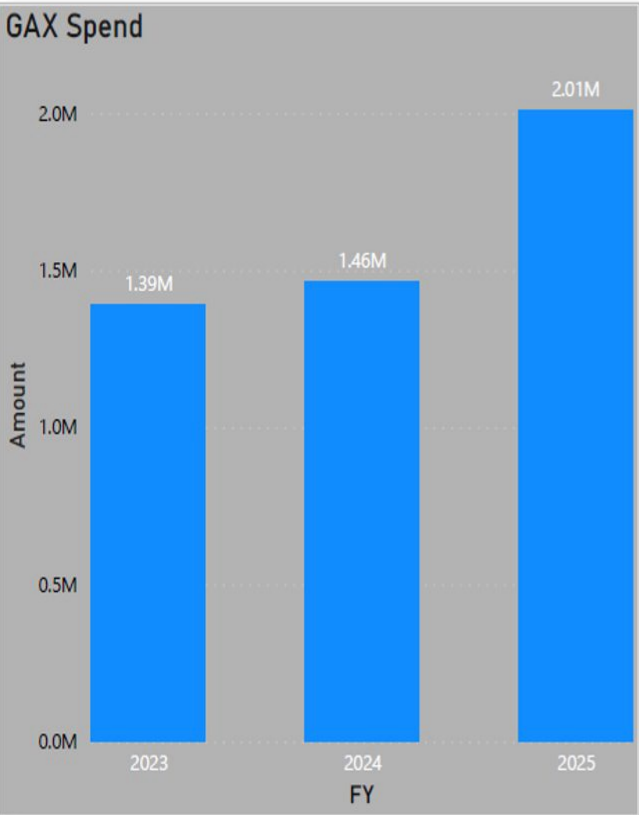
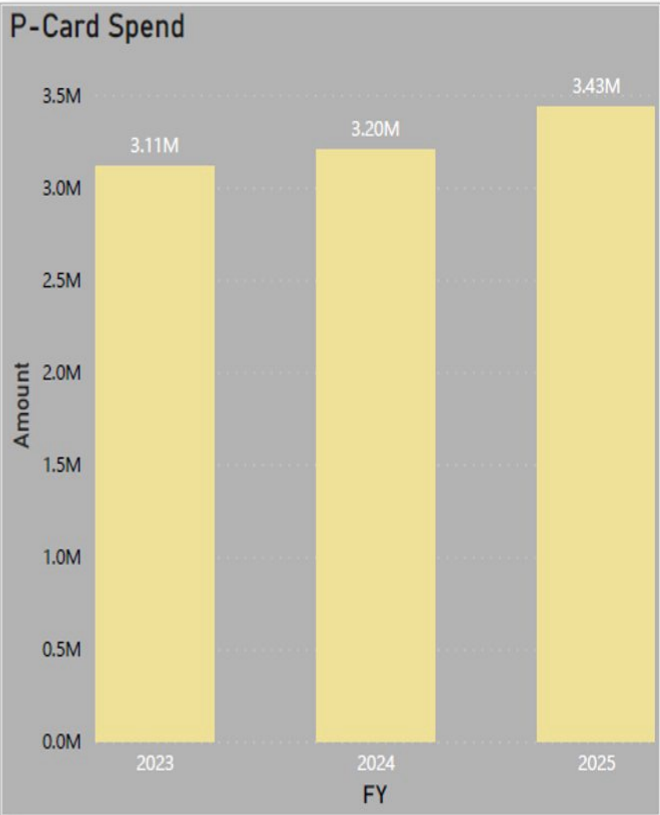
FY25 Top Vendor Spend for Purchase Orders and Master Agreements

Top Vendor Spend (PO & MA) - FY 2025



Total GAX and P-Card Spend

The graphs provided represent the total dollar value spent for GAX and P-card payments for FY2023 thru FY2025.



The increase in GAX spend from FY24 to FY25 includes a combination of routine payments that are paid with a GAX (e.g. reimbursements, condo fees, etc.), project interest repayments, and some payments that would be done via other procurement methods (e.g. existing contract, P-card, etc.).

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

FY25 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. Provided below are all emergency procurements in excess of \$50,000.

Department	Service Date	Procurement Method	Description of Goods/ Services	Dollar Amount
Public Works	5/19/2025	Emergency	Emergency Standby Bypass Pumping for Falls Grove Wastewater Pump Station	54,000
Public Works	3/12/2025	Emergency	Submersible Pump	60,050
Public Works	11/18/2024	Sole Source	Root Control in Sewer System Lines	99,000
Public Works	06/18/2024	Sole Source	Ferric Chloride and Sodium Hydroxide Feed Pumps	51,290
Public Works	11/22/2024	Sole Source	Sewer Rat Detection System	33,795

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

In FY2025, about 9% (\$2M) of all award items, including multiple award contracts, were awarded to MFD-V businesses.

FY2025 MFD-V outreach activities included the following:

- Attended 1 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 1 formal one-on-one technical assistance meetings with businesses.

This represents 12 activities where the Procurement Department had an opportunity to learn about MFD-V businesses and share ideas on how the City can make meaningful connections with these companies.

Note: The reduction in FY25 activities compared to previous years, is primarily due to staffing challenges and transition of duties. Currently, the position (Program Support Specialist) that manages the program is staffed full-time and maintaining the responsibilities of the program.

	FY24	FY23	FY22
Award Amount to MFD-V Businesses	\$3.4M	\$4M	\$1M
Award Percentage	21%	16%	7%

Other Items

Item	FY2023	FY2024	FY2025
Maryland Public Information Act (MPIA) Requests	12	14	29
Bid Protests	0	0	0
Terminated Contracts	0	0	0

FY2025 Contract Awards and Changes

	No. of Actions	Total Amount
Contract Awards >\$100K	34	\$21,325,700
Contract Changes/Modifications	11	\$7,360,972

Note: This information is provided in accordance with Sec. 17-39(d) of the Rockville City Code.

FY25 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%	27%

Comment: Having achieved a 30% cost savings in FY23 and FY24, the Procurement Department prematurely set an extremely ambitious goal of 50% for FY25 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. The measure for FY26 was set at ≥ 32%.

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%	69%

Comment: Customers appreciate the hard-work, diligence, and professionalism of the Procurement Department despite its staffing challenges during FY25. Other comments received were regarding response times, and processing times including the development, approval, and execution of contracts. In August 2025, Procurement, with support from the City Manager’s Office, began a City-wide effort to streamline the procurement process with a focus on acquiring goods and services more efficiently. Key representatives in all departments were invited to provide feedback and an overwhelming number of responses were received. Staff have developed a plan and next steps to address the feedback which has been reviewed with the City Manager. As of December 2025, the Procurement Department became fully staffed.

Performance Measure #3	Adopted	Actual
Percent of total solicitations to which MFD-V vendors have responded	25%	46%

Comment: The Procurement Department far exceeded the adopted goal. 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 a continuous increase of MFD-V bid participation.

Performance Measure #4	Adopted	Actual
Of the percent of solicitations referenced above, percent that were awarded to MFD-V vendors	10%	19%

Comment: The Procurement Department exceeded the adopted goal. 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.

FY25 Performance Measures:

Performance Measure #5	Adopted	Actual
Percent of all procurement methods meeting the agreed-upon timeline based on the procurement processing times as outlined in the Procurement Guide	75%	98%

Comment: The Procurement Department far exceeded the adopted goal. 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.

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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).
 19. Unauthorized/Non-compliant Procurement: The purchase of goods or services made without the required approval or outside of established procurement laws, policies, or procedures.