

FY25 First and Second Quarter Progress Report

OFFICE OF PROCUREMENT
PAMELA FORD DICKERSON, DIRECTOR
FEBRUARY 24, 2025



Tara H. Jackson
Acting County Executive



OFFICE OF PROCUREMENT

Mission

The mission of the OOP is to adeptly oversee the procurement of goods, services, and construction using public funds, in collaboration with County departments. Our commitment is rooted in inclusivity, transparency, and equity, with the goal of serving County residents, businesses, and the public interest. OOP assumes responsibility for establishing procurement processing standards that align with county regulations and diligently monitors the effectiveness of procurement service delivery. Our Focus extends to the continual enhancement of both inter- and intra-departmental purchasing processes. We strive to implement recognized best practices, fostering organizational efficacy, promoting transparency, enhancing accountability, and ensuring compliance.

Core Services

The core services of Office of Procurement (OOP) include:

- **Procurement Management:** Overseeing purchase of goods, services, and construction.
- **Establishing Standards:** Developing and implementing procurement processing standards that adhere to county regulations.
- **Monitoring Service Delivery:** Ensuring the effectiveness of procurement services delivery and maintaining compliance with established standards.
- **Process Improvement:** Identifying opportunities for improvement in inter- and intra-departmental purchasing processes and implementing recognized best practices.
- **Resource for Policy Initiatives:** Serving as a valuable resource for policy and program initiatives related to public contracting.

Structure

Office of the Director - The Office of the Director plays a pivotal role in overseeing agency operations and offering strategic policy guidance to the operating divisions. This essential division takes on the responsibility of efficiently managing each operational sector, encompassing budget development, meticulous monitoring, and financial management. It serves as the central hub for ensuring cohesive management across divisions, fostering a streamlined approach to achieve organizational objectives.

Business Services Division- Business Services provides overall management and direction for the County's purchasing functions in accordance with the legal authority established by Section 603 of the Charter, Subtitle 10A of the Prince George's County Code. This division is responsible for the procurement of contractual services and commodities. It oversees delegated procurement activities and reports on the County's minority business enterprises activities.

Office of Accountability – This office is dedicated to fostering the development, economic growth, and retention of County-based businesses while actively promoting economic development across the County's commercial corridors. This office holds the critical responsibility of ensuring compliance in the County government contracting with socioeconomic laws, programs, and policies.

***Compliance Unit** - The Compliance Unit reviews contract compliance and reporting requirements associated with the Jobs First Act of 2011 and the Jobs and Opportunity Act of 2016. The Compliance Unit establishes the annual prevailing wage rates, monitors livable wage compliance, and oversight of the prevailing wage monitoring contractors.*

Supplier Development & Diversity Division - The Supplier Development & Diversity Division (SDDD) is the primary advocate for local, small, disadvantaged, minority, and veteran-owned businesses seeking to do business with Prince George’s County Government. SDDD helps ensure that there are strategic sourcing opportunities and ensures that local businesses are afforded an equitable share of procurements and contracted dollar opportunities.

Office of Administrative Services - The Office of Administrative Services is dedicated to delivering comprehensive human resource management services, with a focus on attracting, developing, and retaining a highly skilled and diverse workforce. Additionally, the IT team within this office plays a crucial role by providing technical support to the agency. They efficiently manage the SPEED Electronic Procurement System and address general IT needs for the OOP staff, vendors, and customer agencies. The team is committed to preserving data integrity and advancing agency’s transparency efforts through effective IT solutions.

County Contracts: By the Numbers

The County’s procurement function resided in the Office of Central Services (OCS) until July 1, 2024, when the Office of Procurement (OOP) was created to administer contracting and procurements totaled approximately \$762 million dollars in fiscal year 2024 under OCS. This is a baseline year for data collection. Initial metrics are based on service level agreements and processing times. A deeper analysis of fiscal year 2025 data will be available at the end of the calendar year. A high-level projection of forecasted procurement spending and future projections are included below.

Total Procurement Spend (Goal = 3% increase per year)						
	FY24 Actual		FY25 Estimated		FY26 Projected	
Certification Category	\$	%	\$	%	\$	%
CBB	\$16,753,093.72	2.20%	\$17,255,686.53	5%	\$22,432,392.49	8%
CBSB*	\$215,225,181.78	28.23%	\$221,681,937.23	31%	\$288,186,518.40	34%
CLB	\$13,347,677.09	1.75%	\$13,748,107.40	5%	\$17,872,539.62	8%
MBE	\$8,173,305.94	1.07%	\$8,418,505.12	4%	\$10,944,056.65	7%
FY24 Total Spend: \$762,480,378.85						
*CBSB calculations include County-Based Minority Business Enterprise and County-Based Small Businesses						

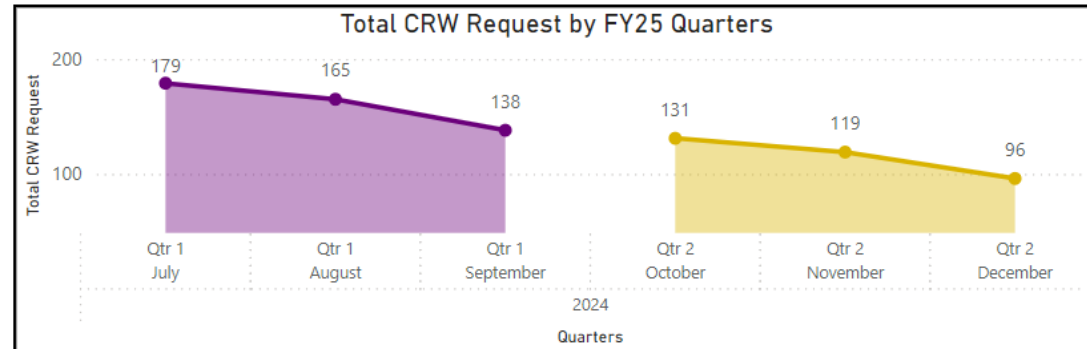
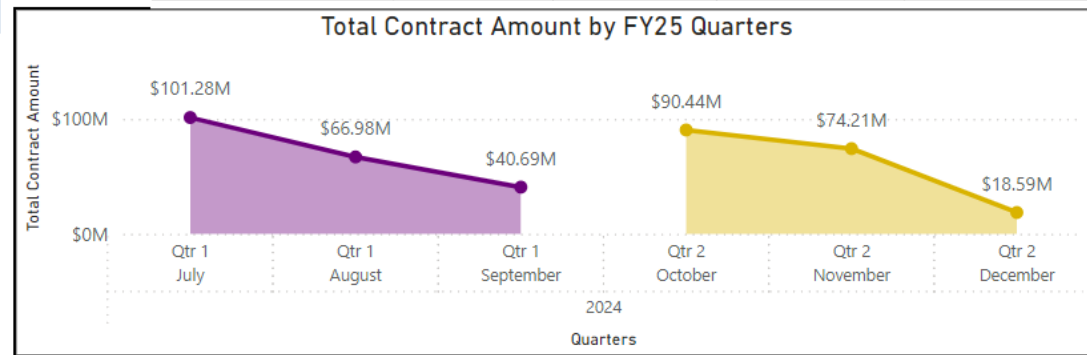
Business Services Division

The Office of Procurement Business Services Division has successfully completed and published a total of 638 procurement requests. The estimated total contract value for these requests is \$276,640,966.36 and the average time taken to complete these procurement requests is 17 days.

SPEED Requests – The following SPEED requests were submitted for the first and second quarters:

Speed Requests				
Totals	Owner/Representative	Request Type	Funding Type	
828 Total CRW Requests \$392.18M Total Contract Dollar Amount	All	All	[PCR] Funding Type	# of Contract Type
	Agency	Contract Status	% of Contract Type	Total Contract Amount
	All	All	% of Contract Amount	% of Contract Amount
	Quarter		Capital Improvement Program	21
	All		Enterprise Fund	35
			General Fund	458
			Grant	268
			Internal Service Fund	17
			Non-Monetary	29
			Total	828
				100.00%
				\$392,180,312.81
				100.00%

Contract Type				
Contract Type	# of Contract Type	% of Contract Type	Total Contract Amount	% of Contract Amount
10a-146 (Riders)	56	6.76%	\$121,114,499.24	30.88%
10a-108 (Exemptions)	319	38.53%	\$103,332,947.82	26.35%
10a-112 IFB	16	1.93%	\$67,072,880.00	17.10%
10a-114 (Only Practical Source)	185	22.34%	\$56,361,295.27	14.37%
10A-113 RFP	7	0.85%	\$24,924,800.00	6.36%
10A-141 Negotiated Participation Agreements	2	0.24%	\$8,172,786.55	2.08%
Ratification	37	4.47%	\$4,016,144.94	1.02%
Request for Direct Pay	119	14.37%	\$3,431,376.87	0.87%
Intra & Inter Government Agreements	11	1.33%	\$1,933,510.76	0.49%
Small Purchase	43	5.19%	\$707,374.10	0.18%
Emergency Purchase	7	0.85%	\$656,471.70	0.17%
Real Estate (Sales,Lease,Easement, Space Use)	17	2.05%	\$390,328.56	0.10%
Equipment Leases	3	0.36%	\$33,897.00	0.01%
Section 315	4	0.48%	\$32,000.00	0.01%
N/A	2	0.24%	\$0.00	0.00%
Total	828	100.00%	\$392,180,312.81	100.00%

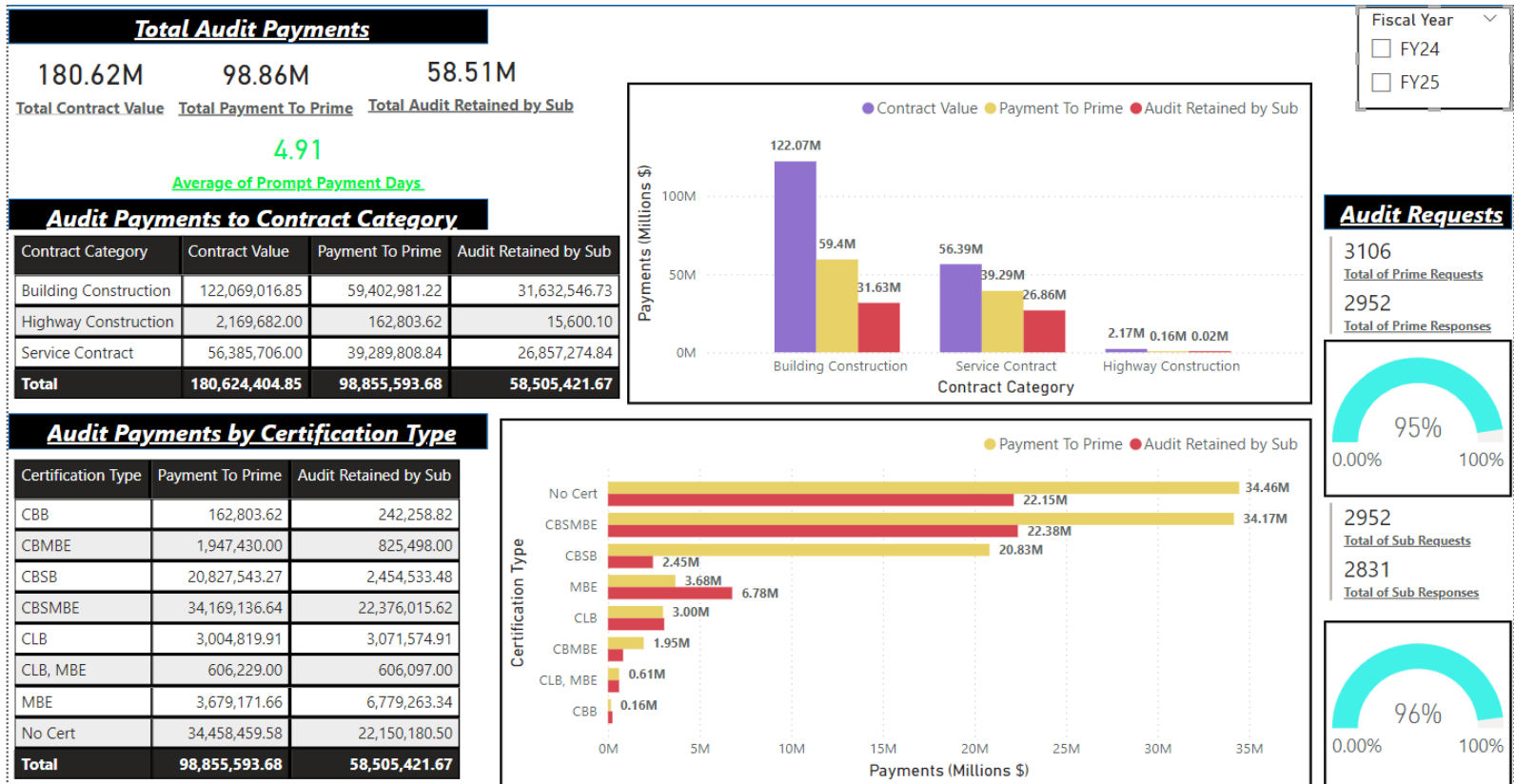


Office of Accountability

Contract Compliance

The County's compliance portfolio consists of building construction, service contracts, and highway construction, with contract awards distributed as follows: 68% for building construction, 31% for service contracts, and 1% for highway construction. Building construction projects represents the largest portion of the County's portfolio. The chart below illustrates the breakdown of Prince George's County's total contract value for Fiscal Year 2024 and the first two quarters of Fiscal Year 2025, which amounts to approximately \$180 million. This Total Contract Value is the budgeted amount for each specific contract. This chart reflects the contracted dollars that are monitored for compliance with prevailing/living wage, supplier utilization goals, and prompt payment requirements. The remaining contracts in the County's portfolio are categorized into two distinct groups: waivers and exemptions. These two categories do not fall under the compliance portfolio.

- Out of the \$180 million in contract value, approximately \$99 million has gone to prime contractors and \$59 million has gone to subcontractors.
- Prime contractors pay their subcontractors an average of 5 days after payment from the County in adherence to the County's Prompt Payment mandate.
- Prime contractors have a 95% compliance rate for audit requests; subcontractors have a 96% compliance rate.
- CBSB's and CBSMBE's comprise approximately \$55M, or 56%, of prime contractor payments.



Supplier Diversity and Development (SDDD)

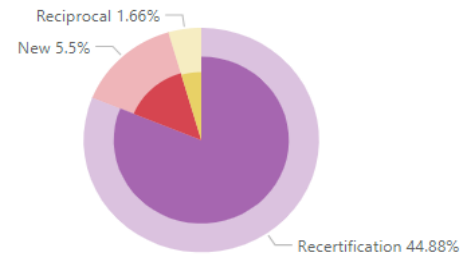
The County’s supplier diversity program is comprised of business certifications, vendor outreach and advocacy, and stakeholder engagement.

Business Certifications

The average length of time to process certification applications for FY24 and FY25 is 2.5 business days for new certifications and 1 business day for recertifications; this is 65% and 66% (respectively) below the established target, which corresponds to a seven-day service level for new certification and three-day service level for recertifications. A recent legislation amendment extending the validity of business certifications from 1 year to 2 years took effect on August 9, 2024. The impact on the number of certifications and staffing workloads is unknown currently. However, based on an analysis of business certifications comparing FY2024, Q1-Q2 and FY2025, Q1-Q2, preliminary data shows an initial decrease in certifications. The Office of Procurement will continue to monitor numbers to identify trends and target strategic sourcing opportunities.

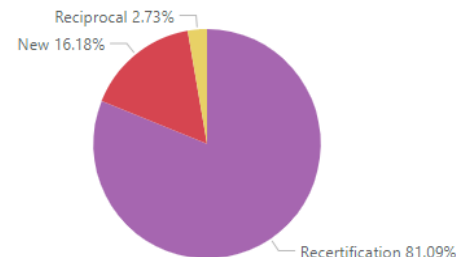
FISCAL YEAR 2024, Q1-Q2

FY2024	New	Recertification	Reciprocal	TOTAL
CBB	1	16	0	17
CBSB	44	221	0	265
CLB	3	20	0	23
MBE	25	339	22	364
TOTAL	73	596	22	691
Average Day(s)	2.63	.82		



FISCAL YEAR 2025, Q1-Q2

FY2025	New	Recertification	Reciprocal	TOTAL
CBB	0	11	0	11
CBMBE	0	1	0	1
CBSB	24	56	0	80
CBSMBE	45	148	0	193
CLB	2	24	0	26
MBE	12	176	14	202
TOTAL	83	416	14	513
Average Days(s)	2.41	.86		



Key Performance Indicators are a vital component to measuring the impact of the supplier diversity program and its ultimate success. The SDDD unit consistently exceeds processing time service levels, one of the key metrics measured for the program. Another vital component of the program is retention and growth. The Office of Procurement established an initial three percent program growth rate for each quarter in fiscal year 2025 compared to the corresponding quarter in fiscal year 2024. Currently, the agency is tracking a nine percent growth rate from 73 to 83 new business certifications from FY2024 to FY2025 first and second quarters.

However, it is important to note that growth can be measured differently. As such, this Division is planning to define and benchmark growth through three separate methodologies as longer-term strategies designed to increase participation in the business certification program and in the procurement process in the County. These strategies are discussed in the Stakeholder Engagement section of this progress report.

Vendor Outreach Efforts

The Office of Procurement continues to seek additional avenues for increasing visibility in the community to 1) better understand the unique needs of Prince George’s County businesses, 2) champion inclusivity in the procurement process, and 3) identify ways to better support County-based businesses. In FY2025, the Office of Procurement is continuing this effort and is planning to host exciting upcoming events such as:

- Office of Procurement Open House to introduce the agency and its services to the Prince George’s County community in Winter 2025
- FY2025 Procurement Summit on April 2, 2025
- Monthly virtual business certification and compliance trainings for new businesses or those who may need a refresher, and
- Monthly Vendor Days

84

Total Number of Events

FY	# of Events	<u>(in-person)</u>	<u>Outreach</u>
FY24	59	41	54
FY25	25	43	30
Total	84		Training

Additionally, the agency champions ways to stratify existing data to better leverage inclusion and areas of growth. The FY2024 vendor survey afforded an opportunity to hear directly from the business community on ways the County can have more of an impact in building capacity. The Office of Procurement will continue this type of collaboration and direct engagement in FY2025 and beyond.

Stakeholder Engagement

The Office of Procurement regularly engages both internal and external stakeholders through monitoring/compliance, outreach, and engagement. We recognize that understanding stakeholder interests, expectations, and concerns will be pivotal to expanding support to both internal and external stakeholders. As such, the office will conduct stakeholder analyses to gather information through interviews, surveys, and informal discussions to foster cooperation and alignment of program goals.

Internal Stakeholders

- FY2025 Green Book – engage with OIT to create an electronic collection process.
- Solicitation Compliance – track subcontracting plans submitted in solicitation documents through project conclusion.
- Internal Training - initiate agency Green Book training component.

External Stakeholders

- Mentor-Protégé Program – engage with large prime contractors to increase interest in mentoring County-based small and minority businesses.
- Strategic Partnerships – seek out local and regional partners to expand and elevate procurement programs and initiatives.
- Strategic Sourcing – identify ways to stratify areas that have low utilization rates to develop methodology to increase participation.

Additionally, the Office of Procurement is working with area resource partners to identify ways to collaborate to further meet the needs of the business community. There will be upcoming collaborations with the Clean Water Partnership, the Veteran's Chamber of Commerce, and the Economic Development Corporation in the coming months that will be announced once details are finalized.

Office of Administrative Services

The Office of Administrative Services oversees the government purchase card program, and human and financial capital administration.

Human Capital Administration

In the first and second quarters of fiscal year 2025, the following transactions occurred:

- 10 vacancies were advertised and filled: Procurement Officer III (5 including one internal promotion), Compliance Manager (1), Legislative Policy Analyst (1), Admin Specialist II (1), Compliance Specialist IV (1), Compliance Specialist III (1)
- 1 vacancy is in progress

Government Purchase Card (P-card) Program

In quarters 1-2, approximately \$7 million was purchased using P-cards totaling approximately ten thousand transactions. The Office of Procurement will begin categorizing expenditures by purchaser and County-based business certification type in future quarterly reporting. Purchase card holders acquired goods and or services in the following merchant card code (MCC) categories and amounts:

Totals and Averages

\$6.52M 10.15K

Total Dollar Amount Total Transactions

Agency

All

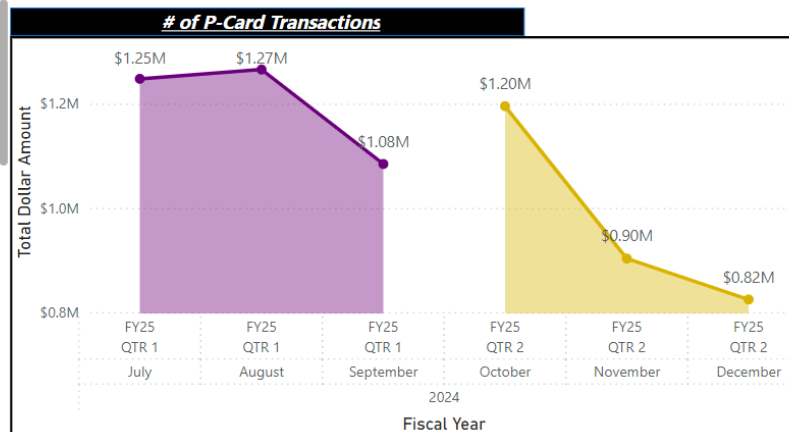
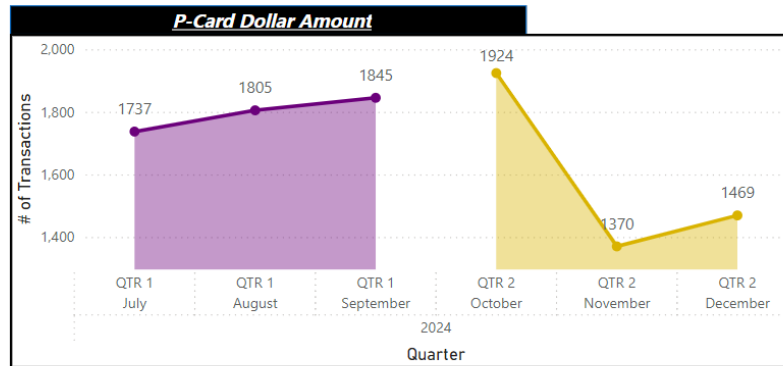
Quarter

All

Merchant Category Code Group

- Airline
- Car Rental
- Computer, Hardware, Software and Peripherals
- Education
- Entertainment
- Government
- Healthcare
- Lease and Rental Payment
- Lodging
 - ALOFT HOTELS
 - Aria Hotels
 - Autograph

Merchant Category Code (MCC) Group	# of Transaction Type	% Count of Transaction Type	Total Dollar Amount	% of Dollar Amount
<input type="checkbox"/> MRO	1531	15.08%	\$1,324,923.19	20.32%
<input type="checkbox"/> Professional Services	1375	13.55%	\$1,094,246.05	16.78%
<input type="checkbox"/> Retail	3361	33.11%	\$955,314.58	14.65%
<input type="checkbox"/> Vehicle Maintenance and Fuel Services	552	5.44%	\$836,923.66	12.83%
<input type="checkbox"/> Lodging	886	8.73%	\$549,973.01	8.43%
<input type="checkbox"/> Other	403	3.97%	\$324,772.55	4.98%
<input type="checkbox"/> Restaurants	286	2.82%	\$220,331.38	3.38%
<input type="checkbox"/> Airline	430	4.24%	\$195,307.17	3.00%
<input type="checkbox"/> Education	178	1.75%	\$174,731.45	2.68%
<input type="checkbox"/> Computer, Hardware, Software and Peripherals	174	1.71%	\$171,418.44	2.63%
Total	10150	100.00%	\$6,520,884.08	100.00%



FY2025 6 Month Outlook for the Office of Procurement (Q3 – Q4)

- Expand compliance program to include the following.
 - Subcontracting plans submitted with solicitations.
 - Incorporate a contract closeout process to confirm compliance through project closeout.
 - Increase visibility through increased site visits and compliance monitoring.

- Stratify strategic sourcing opportunities for County-based businesses (CBSB's, CBSMBE's)
 - Review waivers, grants, and solicitations for additional utilization requirement opportunities.
 - Target business certifications non-renewals (FY2024-FY2025) for additional feedback
 - For FY2025, track vendors from initial touch point with the Office of Procurement (Vendor Days) to see how many participated in the mentor-protégé program, the supply schedule, became a certified vendor, bid on solicitations and/or received a contract award to begin benchmarking effectiveness of stakeholder engagement and identify areas of growth.

- Streamline business certification process and assess certification requirements.
 - Monitor Montgomery County as they started a Veteran Business Preference Program certification to see if the County should do the same, in partnership with the Veteran's Chamber of Commerce.
 - Review required documents and residency requirements with local municipalities and local jurisdictions for best practices.
 - Utilize strategic sourcing efforts to increase County-based business certifications.

- Redesign Green Book process and deliverables; implement training component for agencies.

- Increase accountability and tracking for Mentor-Protégé program; identify contracts that will participate in the program to inform the business community.
- Streamline procurement process by enhancing Prince Georges' Supply Schedule and adding categories.

- Enhance the SAP platform to best leverage advanced tracking capabilities to facilitate reporting and include additional functionality to create a friendlier end user experience.

- Conduct vendor outreach related new ERP system for the County.

- Conduct robust acquisition planning starting late March until end of April

- Host Countywide trainings on Procurement 101, Market Research, and Scope of Work

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PRINCE GEORGE'S COUNTY OFFICE OF
PROCUREMENT
CCG | **CONTRACTING
CERTIFICATIONS
COMPLIANCE**

Empowering progress through accountable, collaborative,
& transparent procurement practices.