The Purchasing Agent’s Fiscal 2017 Report

For
Anne Arundel County Government

Submitted to:
The Honorable Steven R. Schuh, County Executive
and
The Honorable Members of the County Council
Chairman John J. Grasso, District 2
Vice Chairman Jerry Walker, District 7
Peter Smith, District 1
Derek Fink, District 3
Andrew C. Pruski, District 4
Michael Anthony Peroutka, District 5
Chris Trumbauer, District 6
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NOTICE: CHANGES TO THE REPORTING STRUCTURE

Attention Readers: Please be aware that the past publications of the Purchasing Agents Annual Report data were presented in a calendar year (January—December) format. The Fiscal 2017 Report is the first of the Purchasing Agents reports to be moved from a calendar year basis to a fiscal year basis in accordance with changes enacted in Bill 8-17. The change to fiscal year will align the Purchasing Division’s reporting information with other County agencies, so that reporting information will be more consistent and beneficial to internal and external users.

In making the transition to fiscal year reporting, it is important to note that this report covers July 1, 2016, through June 30, 2017. The previous calendar year report for 2016 covered January 1, 2016, through December 31, 2016. The reason for keeping this information in the Fiscal 2017 Report was to ensure consistency in measurement of data to cover an entire year of time as many of the figures represented in this report would not be comparable unless measured on an annual basis. Going forward all future reports will be aligned with the fiscal year measurement to ensure consistency in the process for years to come. A visual representation of the reporting structure is shown below for your reference.

2016 Calendar Year Report
January 1, 2016-December 31, 2016

2017 Fiscal Year Report
July 1, 2016-June 30, 2017

2018 Fiscal Year Report (Future Report)
July 1, 2017-June 30, 2018
The Purchasing Division operates within the Office of Central Services in accordance with Article 8 of the Anne Arundel County Code. The Purchasing Agent is responsible for the Centralized Purchasing Operation; Capital Construction; Consultant Selection Contracts; Procurement Card (P-card) Administration; County-wide Courier/Mail Delivery Service; and the Non-Capital Fixed Asset Program. The Purchasing Division works collaboratively with the Minority Business Enterprise Program and Committee.

In the 2017 County Fiscal Year, the Division had a staff of twenty-four (24) full-time merit employees, one contractual buyer, one contractual management aide, and one part-time contractual mail clerk. Our Buyer Teams remain structured into three (3) categories, which organize the needs of County Agencies according to Purchasing’s Category Management Organizational Structure. These categories are: Capital & Maintenance Services; Public Safety & Human Services; and Administration and Commodities.

The dedicated staff in the Purchasing Division are tasked with procuring all goods and services required by the County. This includes procurements for goods and services for daily operational needs, consultant services, and construction contracts supporting Capital Budget Programs. In addition, the Division manages Mail Delivery operations for the County government buildings. In the 2017 County Fiscal Year, the Purchasing Division oversaw 78,317 procurement related transactions, which included purchase orders, change orders, direct payments, blanket order releases against annual contracts, and procurement card transaction for a total value of $400,317,038 procurement spending. The Purchasing team dedicated to mail delivery operates part-time from the Heritage Office Complex and full-time from the Arundel Center. In the County Fiscal Year 2017, the Mail service staff handled 1,678,355 pieces of outgoing mail, which is a cost of $879,325 and 13,073 incoming parcels.

Our efforts to provide contract opportunities for the Minority &Women Business Enterprises (M/WBE) continue to be significant. Awards to the Minority & Women Business Enterprises totaled $47.4 million, or 12% of the overall procurements executed in the County Fiscal Year 2017.

Through the growth of the Category Management Program, the Purchasing Division has been able to expand collaborative procurement efforts with neighboring jurisdictions by improving communication and cooperation. This includes Anne Arundel County Public Schools, Anne Arundel Community College, City of Annapolis, Baltimore County, Howard County, the City of Baltimore and other communities that belong to the Baltimore Regional Purchasing Committee (BRCPC). The Category Management Program has also lead to increased internal communications with County agencies to forecast future procurement needs.
The Purchasing Division is working with the Office of Information Technology to update the Division’s website in anticipation of our new procurement management information system. The new system will be linked to our website to allow the public access to more Purchasing data than ever before. The website will include a new feature that allows vendors to register online in order to be notified of upcoming bidding opportunities. In fiscal 2017 the Division added an FAQ section, real-time updates, access to standard forms, and faster bid results.

The Division has also implemented operational changes to increase efficiency in the overall procurement process.

- **Established Metrics:** Using process mapping, the Purchasing Division has measured the activities and time required to complete each procurement action (known as Time-to-Fill). With these benchmarks over the last year, Purchasing has measured performance of procurements completed during this fiscal year to evaluate progress being made towards reducing individual procurement cycle times. Aside from the overall processing time, Purchasing has also examined the individual process steps required to complete each procurement, which identifies inefficiencies and minor variations in the process. Purchasing has used this information to standardize processes for each major type of procurement resulting in a reduction of 18 days in the Time-to-Fill.

- **Updated Policies and Procedures:** With the enactment of Bill 8-17, which updated County law to remove inefficient requirements, Purchasing began reviewing the Purchasing Manual. The Manual will be renamed the Purchasing Regulations, which will aid in providing guidance to implement the requirements of the revised Article 8 of the County Code. Finally, the Procurement Strategy Manager is developing internal policies and procedures to guide internal operations and to continue efforts standardizing internal processes documentation and contract templates.

- **Planned for New Technology:** Over the last year, Purchasing has been building requirements to implement new procurement technology that will automate much of the Purchasing operation. In Spring 2017, Purchasing issued an RFP to procure a system to provide an integrated procurement and contract management software system. Purchasing anticipates award and implementation in Fiscal Year 2018.
ACCOMPLISHMENTS

SAVINGS & Recovered County Funding

♦ FY 17 Savings Generated= $3,189,319 (Compared to $154,303 in FY16)
♦ Recovered $587,522 in back payments owed to the County from an existing Contractor

EFFICIENCY

♦ Reduced time to obtain goods and services by an average of 18.38 days
♦ Obtained approval of changes to streamline Article 8 of the County Code governing the County procurement process
♦ Developed a standard procurement procedure for each major type of procurement
♦ Launched new Delegation of Authority Matrix for updating procurement signature authority for Buyers, Assistant Purchasing Agents, and the Procurement Strategy Manager
♦ Developed a pipeline of future procurement needs through Category Management to help strategically identify best sourcing solution
♦ Generated initial savings from implementation of Category Management
♦ Issued a procurement for new Procurement Operational Resource Technology (PORT)

TRAINING

♦ Continued Procurement Coordinator training (Introduction to Procurement and Statements of Work)
♦ Developed additional training on Contract Management. Classes to begin at the start of FY 18
♦ Created an introduction to Category Management training for County agencies to explain the impact and benefits of Category Management
GOALS FOR FISCAL YEAR 2018

The goals for FY18 are organized into six (6) general areas of improvement:

**Organization & Operating Model Design**
- Continue to refine internal procedures for procurement process
- Launch new Procurement Information Software System (PMIS)
- Complete transition activities for new Procurement Card Program Provider

**Category Management & Sourcing**
- Continue to build savings through Category Management
- Improve operational efficiency by reducing recurring procurement actions

**Policies & Procedures**
- Complete revision of the Purchasing Manual/Purchasing Regulations
- Finalize first edition of Purchasing Policy Book for Staff
- Develop Technology Policies for using new PMIS System

**Process Re-Engineering**
- Complete transition of 60% or more of manual processes into PMIS processes by the end of FY18
- Continue to reduce the Time to Fill for each procurement based on new technology implementation

**Procurement Technology**
- Go live with PMIS system
- Implement electronic document routing system that is part of PMIS system
- Go live with vendor platform for procurement bid and proposal submission

**Change Management**
- Provide outreach and training to internal and external customers on new PMIS System
- Ensure successful implementation of new Procurement Card Program Provider to the County
Anne Arundel County
Purchasing’s Guiding Principles
“Always Help Others”

Planning is Everyone’s Responsibility

Strive to be responsive by planning ahead and undertaking activities that will allow us to address purchase requests in a timely manner even if our using agencies fail to plan.

Educate Customers

Educate County agencies on how to better select products or vendors that they can purchase themselves at low dollar values that can allow them to get what they need faster.

Reduce Time

Reduce time by simplifying the process for departments to procure goods or services while ensuring compliance with County policies and procedures.

Generate Savings

Drive growth in savings and increase customer service to the agencies by providing staff with ways to drive additional savings.

Focus on Higher Value Activities

Focus on higher value activities by reducing the amount of touches that occur with low value and low risk transactions to enable County resources to focus on high value and high risk transactions.

Manage Risk

Improve management of risk to County with contract language that enables Purchasing to identify the overall process without adding unnecessary time or delay.

Ensure Customer Friendly Focus

Create a customer-friendly process to conduct business with the County by making it easier for using Agencies and Departments to obtain the goods and services they require.
The following charts illustrate the total annual transaction activity in Purchasing for calendar years 2013 through 2016 and fiscal year 2017. These comparative totals indicate the diversity of our workload and the significant level of production.

Buyers use eCommerce and online bidding to enhance competition and improve operational efficiency. They continue to use the State of Maryland’s website portal “eMaryland Marketplace.” Solicitations are published on eMaryland Marketplace and the County’s website in order to reach potential bidders. These tools enable Buyers to obtain competitive prices quickly and efficiently and ensure we reach the largest number of potential bidders interested in doing business in the County. Buyers also use large local and national cooperative contracts when appropriate.

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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>PURCHASE ORDERS/CHANGE ORDERS</td>
<td>2,240</td>
<td>2,314</td>
<td>2,372</td>
<td>2,132</td>
<td>2,088</td>
</tr>
<tr>
<td>BLANKET ORDER RELEASES</td>
<td>2,318</td>
<td>3,013</td>
<td>3,041</td>
<td>2,704</td>
<td>2,887</td>
</tr>
<tr>
<td>DIRECT PAYMENTS (DP)</td>
<td>7,508</td>
<td>7,912</td>
<td>6,992</td>
<td>8,057</td>
<td>7,508</td>
</tr>
<tr>
<td>VALUE OF PO’s/CO’s, BLANKET RELEASES &amp; DP’s</td>
<td>*$397,700,866</td>
<td>$332,629,270</td>
<td>$434,492,941</td>
<td>$435,222,492</td>
<td>$364,433,651</td>
</tr>
</tbody>
</table>

| PROCUREMENT CARD PROGRAM          | 74,630 | 78,587 | 80,404 | 80,479 | 78,317 |
| VALUE OF P-CARD TRANSACTIONS      | $27,853,800 | $32,989,800 | $33,162,500 | $34,871,800 | $35,883,387 |
| TOTAL TRANSACTIONS                | 86,696 | 91,826 | 92,809 | 93,372 | 90,800 |
| TOTAL VALUE                       | *$425,554,666 | $365,619,070 | $467,655,441 | $470,094,292 | $400,317,038 |

* Cox Creek
BUYING TEAMS

Buyers purchase goods and services needed for government operations in a manner that is in the best interest of the County. To be effective, they conduct research to be certain they are up to date with current features and technology of products and services, identifying responsible suppliers, meeting with them to learn about new products and services available to the County. Buyers are constantly looking for more cost effective buying options by networking, attending forums and government procurement-related conferences, and training. In order to provide a more strategic approach to procurement that results in cost savings and efficiency, the County Purchasing Division is organized in a manner that utilizes a concept known as Category Management. Buyers are grouped by categories of similar or related products and services. The overall operation consists of two (2) Assistant Purchasing Agents, seven (7) Buyers, and five (5) Office Support Staff. The Purchasing Office has added two new positions to the Purchasing team in 2017: a Procurement Strategy Manager and a Category Management Manager. The teams are assigned the task of procuring all equipment, construction, supplies, materials and services required to sustain the County’s operations.

The staff is divided into three (3) Teams according to similar categories:

1. Capital & Maintenance Services
2. Administration & Commodities
3. Public Safety & Human Services

The Procurement Strategy Manager assists in preparing, presenting, and administering the Purchasing Office’s budget annually; works closely with County agencies to identify needs and long-term purchasing plans; establishes written policies and procedures for all procurement methods executed by the Purchasing Division; and develops relationships to understand issues and concerns. The Procurement Strategy Manager also develops specifications and scopes of work in conjunction with County agencies by conducting research with other governmental agencies and vendors along with providing leadership, oversight, and management to team leads within the organization.

The Procurement Category Management Manager plans, analyzes, and organizes purchasing strategies to identify groups of purchases that are critical to County government services. The Procurement Category Management Manager identifies categories of purchases across County government based on analysis of data and items that are typically purchased together. Strategies are then developed and executed to maximize the County’s purchasing total spending on identified categories as well as individual items within those categories. Procurement strategies are then developed and implemented to drive process improvements and effectively institute key performance metrics.

The goal of this reorganization is to enhance controls and mitigate risks, streamline the process and drive efficiencies, increase stakeholder satisfaction, and identify any additional savings.
BUYER CATEGORIES

Capital & Maintenance Services:

The Capital and Maintenance Services Team is led by an Assistant Purchasing Agent who oversees four (4) Buyer IIIs and two (2) Management Aides (one of which is contractual). The fourth buyer was a contractual addition to the team this year. A new Buyer III recently started at the County to replace a Buyer III who recently retired.

In addition to managing the Capital & Maintenance Services Group, the Assistant Purchasing Agent is also responsible for the overall supervision of the Print Portal, the Mail Room including the Mail Room Supervisor and Mail Room personnel, the Non-Capital Fixed Asset Inventory Program and the Procurement Card Program.

One Buyer III facilitates all A&E contracts established through the Open End and the Consultant Selection processes and all purchases for capital construction solicitations and contracts. A second Buyer III handles purchases for Facilities Maintenance, Waste Management and Utilities for DPW and Job Order Contracting (JOC). A third Buyer III handles purchases for Recreation and Parks, Inspection and Permits, and Highways. A fourth buyer is in training to support the Capital Construction and A/E programs as well as provide assistance with other operating procurements within the team.

Administration & Commodities:

The Administrative and Commodities Team is led by a Buyer IV, who oversees the work of one Buyer III. The Buyer IV is the Team Leader and procures for the Fleet, Risk Management, and Real Estate Divisions of Central Services, as well as the Office of Law and the Circuit Court. The Buyer IV also purchases all heavy equipment for the County.

The Buyer III supports the Office of Information of Technology, County Council, Liquor Board, Board of Appeals, Board of Elections, Budget, Finance, Local Management Board, Maryland Cooperative Extension, Ethics Commission, Administrative Hearings, Domestic Relations and Auditor’s Office.

Public Safety & Human Services:

The Buyer IV is the Team Leader and procures for the Office of Personnel, as well as the Public Safety Agencies, including the Fire Department, Police Department, Office of Emergency Management, Sheriff’s Office, Detention Facilities, and State’s Attorney. This position also supports the Office of Planning and Zoning.

The Buyer III is responsible for procuring equipment, supplies, and services for the Library System, Animal Control, Social Services, Health Department, and the Department of Aging and Disabilities.
In FY17, the County’s Procurement Card Program spend increased from $34.8 million to $35.8 million, and the average transaction increased from $416 to $436. As a result of this activity, the County earned a $367,160 rebate, which is up from last year’s rebate of $351,405. The program’s rebate is based in accordance with the provisions of the contract with US Bank. The rebate is factored on three (3) contractual components: total annual spend, transaction size, and client held (invoice) days.

Training is essential to ensure compliance with the Procurement Card policies and procedures. New cardholders attend a mandatory training prior to receiving a procurement card. Purchasing holds new cardholder training the second Tuesday of each month. Additional new cardholder trainings are scheduled as needed and are also available on the County’s Intranet. Purchasing also provides Approving Official training as new officials are appointed, and retraining is provided to all Approving Officials every three years.

In FY17, 144 new procurement cards were established. Single vendor accounts are being used to purchase library books, Information Technology hardware, fuel for Police helicopters and fire boats, as well as pumps for the County’s wastewater facilities.

In FY17, Purchasing conducted 21 on-site audits of cardholder’s records to certify compliance with policy and procedures. During these audits, records are reviewed to ensure appropriate purchasing activity, proper documentation of transactions, and approval of purchases.

The Procurement Card Program Administrator continues to use Access Online daily to run usage reports, vendor and merchant code spend, creation of new accounts, modification to cardholders’ profiles, and to suspend and terminate accounts. Approving Officials and Agency Program Coordinators use the system to verify account balances, spending limits, and purchasing history. Departments use Access Online, a web-based reallocation and report system, to properly allocate procurement card transactions to the appropriate business unit and object number. Cardholder and vendor spend, individual department expenditures, minority business reports, as well as specific usage reports, can be extracted from this program.

Purchasing is an active member of NAPCP (National Association of Procurement Card Professionals) and the Maryland Regional Procurement Card Consortium. Through affiliations with these associations, we evaluate and compare our procurement card program’s activity, spending limits, allowable spend, program management, and best practices against local and national jurisdictions.

As our Procurement Card Program evolves, Purchasing continues to consider more efficient ways to reconcile account expenditures. Our goal is to move the program from paper receipts and reconciliation to electronic review, approval, and record keeping.
In FY17, Purchasing began a pilot with Recreation and Parks to include payments for Capital Improvement Program purchases. The pilot has proved successful. Purchasing will work with the Finance Office to expand the use of the procurement card as a payment method for other Capital Improvements and projects.

In FY17, Purchasing pursued putting a more multi-faceted banking contract in place to include enhanced financial tools, a streamlined and electronic approving process, and a more aggressive rebate schedule. And, continued to promote the idea to mandate the use procurement cards for all purchases under $2,500 while encouraging departments to gain the efficiency of the procurement card program.

The use of procurement cards is a fiscally efficient and cost effective method for County agencies to secure small purchases, while reducing administrative costs. The County secures goods and services quickly and our vendors are paid promptly at the point of sale, which is critical for many vendors.
The Purchasing Agent’s Fiscal 2017 Report

PROCUREMENT CARD ACTIVITY

<table>
<thead>
<tr>
<th>YEAR</th>
<th># TRANSACTIONS</th>
<th>VALUE OF TRANSACTIONS</th>
<th>REBATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>CY 2013</td>
<td>74,630</td>
<td>$27,853,800</td>
<td>$269,818</td>
</tr>
<tr>
<td>CY 2014</td>
<td>78,587</td>
<td>$32,989,800</td>
<td>$292,620</td>
</tr>
<tr>
<td>CY 2015</td>
<td>80,404</td>
<td>$33,162,500</td>
<td>$343,802</td>
</tr>
<tr>
<td>CY 2016</td>
<td>80,479</td>
<td>$34,871,800</td>
<td>$351,405</td>
</tr>
<tr>
<td>*FY 2017</td>
<td>78,317</td>
<td>$35,883,387</td>
<td>$367,160</td>
</tr>
</tbody>
</table>

*FY vs. CY

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**NO. OF TRANSACTIONS**

**VALUE OF TRANSACTIONS**

**REBATE**
In fiscal year 2017 the value of contracts awarded to local businesses based in Anne Arundel County was $94,418,377 or 24% of Total Spending ($400,317,308).

<table>
<thead>
<tr>
<th></th>
<th>Purchase Orders</th>
<th>P-Card</th>
<th>Total Spend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anne Arundel County</td>
<td>$85,675,299</td>
<td>$8,743,078</td>
<td>$94,418,377</td>
</tr>
<tr>
<td>Anne Arundel County % of Total</td>
<td>24%</td>
<td>25%</td>
<td>24%</td>
</tr>
<tr>
<td>Total Spending</td>
<td>$360,888,593</td>
<td>$35,428,715</td>
<td>$400,317,308</td>
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The Purchasing Agent’s Fiscal 2017 Report
MINORITY AND WOMEN-OWNED BUSINESS ENTERPRISE PROGRAM

Anne Arundel County government spent approximately $47.4 million with minority and women-owned businesses during operations in FY2017. This amount includes annual spending from contracts and purchase orders, direct payments, credit card purchases, and construction subcontract awards.

<table>
<thead>
<tr>
<th>DATE</th>
<th>VALUE OF AWARDS TO W/MBE</th>
<th>NO. OF AWARDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>$22,409,832</td>
<td>112</td>
</tr>
<tr>
<td>August</td>
<td>1,524,318</td>
<td>78</td>
</tr>
<tr>
<td>September</td>
<td>1,224,874</td>
<td>60</td>
</tr>
<tr>
<td>October</td>
<td>2,288,870</td>
<td>81</td>
</tr>
<tr>
<td>November</td>
<td>2,622,022</td>
<td>48</td>
</tr>
<tr>
<td>December</td>
<td>1,599,391</td>
<td>97</td>
</tr>
<tr>
<td>January</td>
<td>1,192,806</td>
<td>91</td>
</tr>
<tr>
<td>February</td>
<td>3,064,045</td>
<td>72</td>
</tr>
<tr>
<td>March</td>
<td>694,802</td>
<td>92</td>
</tr>
<tr>
<td>April</td>
<td>5,599,922</td>
<td>72</td>
</tr>
<tr>
<td>May</td>
<td>1,263,070</td>
<td>69</td>
</tr>
<tr>
<td>June</td>
<td>764,533</td>
<td>41</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$44,248,485</strong></td>
<td><strong>913</strong></td>
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M/WBE UTILIZATION—FY2017

<table>
<thead>
<tr>
<th>ALLOCATIONS</th>
<th>AMOUNT</th>
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<tbody>
<tr>
<td>Contracts &amp; Purchases Orders</td>
<td>$44,248,485</td>
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<tr>
<td>Direct Payments</td>
<td>1,698,810</td>
</tr>
<tr>
<td>P-Card Purchases</td>
<td>694,317</td>
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<tr>
<td>Subcontract Payments</td>
<td>596,507</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$47,238,119</strong></td>
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</table>
MINORITY BUSINESS ENTERPRISE PROGRAM

M/WBE UTILIZATION CY 2013 - FY 2017

<table>
<thead>
<tr>
<th>M/WBE UTILIZATION % TOT PURCHASING</th>
<th>PURCHASING</th>
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<tbody>
<tr>
<td>$23,695,928 6%</td>
<td>$425,554,666</td>
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<tr>
<td>$38,391,013 11%</td>
<td>$365,619,070</td>
</tr>
<tr>
<td>$40,695,413 9%</td>
<td>$467,665,441</td>
</tr>
<tr>
<td>$47,437,320 10%</td>
<td>$470,094,292</td>
</tr>
<tr>
<td>$47,287,119 12%</td>
<td>$400,317,038</td>
</tr>
</tbody>
</table>

 Legend:
- Women-Owned
- Native Am/Amer Indian
- Hispanic
- Handicapped/Disabled
- Black/Women-Owned
- Black
- Asian American
OUTREACH

MINORITY BUSINESS REPORT

In a continuing effort to provide information and resources to the business community, the Office of Central Services developed a series of new episodes for the *Minority Business Report*. This broadcast airs daily on Comcast/Millennium Channel 98 and Verizon 38 presenting interviews with local businessmen and women on a variety of topics. Themes broadcast in FY 2017 include:

**Captain’s Club Apparel Company**
Jason Conley, General Manager  
William Channel

**Collaborations: Business & the Arts**
Barbara Gill, Chesapeake Coffee Connections  
Kim Lavender, Muddy Creek Artist Guild

**Financing Options for Small Business**
Randall Toussaint, Anne Arundel Economic Development Corporation  
Curtis Pope, First National Bank

**Black History Month 2017: Porsche of Annapolis/Team Randori**
Brett Smith, Porsche of Annapolis  
Alfred Hogan, Team Randori

**Side Street Framers: A Business Gem**
Barbara Daniels & Dawn Wilson, Side Street Framers & Gift Gallery

**Magothy Payments: Unique Business Ideas**
Jaron Rice, Magothy Payments, LLC
WOMEN PRESIDENTS’ EDUCATIONAL ORGANIZATION (WPEO-DC)

The Women Presidents’ Educational Organization (WPEO) is an affiliate of the Women Business Enterprise Council (WBENC), a nationally-recognized certifying agency for women business owners. WPEO’s mission is to increase access to business opportunities for Women Business Enterprises (WBEs). WPEO-DC provides the Office of Central Services/Purchasing Division with access to its online database of women-owned firms seeking to do business with Anne Arundel County. WPEO-DC facilitates the WBENC certification process by serving as a regional Certification Review Committee (CRC). As a member of the CRC this year, the M/SBE Coordinator conducted site visits with owners of the following companies in order to complete the certification process for new & renewing members.

NexGen LED AU & Associates
A.C. Miller Consulting, LLC ICon, Inc.
The Elocen Group All Around Underground, Inc.
R. E. Communications Buckner Management & Technology, Inc

The M/SBE Coordinator participated in the following WPEO outreach activities this year.

- Annual ACCESS Networking Reception designed as “town hall meetings” with individual corporate diversity officers from Freddie Mac, Capital One, Morgan Stanley, Sodexo, Marriott, A T & T, Aetna, Washington Gas, AARP. Members discussed industry trends that will affect small business growth.

- Accelerate Your Growth thru 2nd Tier Contracting event sponsored by PepCo Holdings. Corporate/community partners held roundtable interviews with WPEO certified firms.

- Annual Breakthrough Breakfast & Procurement Fair sponsored by Dominion Power, AMpcus, Capital One, Wells Fargo, Avis, Microsoft, Interpublic Group, AARP. Participate in MatchMaker interviews with certified WBE firms.

- “Brown bag” information session with Ernst & Young Commercial Division. EY Supplier diversity officers presented an overview of upcoming opportunities in real estate, travel, technology, financial management/auditing and promotional items. EY has also instituted a WeConnect initiative focused on disabled, veterans and LGBT communities.

- Corporate Roundtable & luncheon sponsored by Capital One. Group discussion focused on sharing supplier diversity “best practices,” such as, what approaches are most effective in achieving employee buy-in? What are some of the things we can do in support of women business owners throughout the region? What is the future of supplier diversity?
The Purchasing Agent’s Fiscal 2017 Report

TECHNICAL ASSISTANCE

During FY 2017, the M/SBE Coordinator held one-on-one counseling sessions and provided referrals in response to 107 inquiries from small, minority and women-owned businesses. Inquiries included requests for information about resources for start-up and non-profit companies; public/private financing; MDOT & SBA 8(a) certification; procurement and construction opportunities; A/E pre-qualification process; business-to-business referrals; and Veteran-owned business services, marketing and networking opportunities.

Types of business start-ups under consideration included: daycare center, transportation services, snow removal, staffing, medical supplies, community resource center, clothing/linen distributors, and janitorial services.

The M/WBE Coordinator also conducted (13) site visits discussing marketing & business opportunities with local women, minority, and Veteran-owned firms.

TEAMING & PARTNERSHIPS

The MBE Coordinator, under the auspices of the Office of Central Services, participated as a panelist, presenter, exhibitor and/or attendee at a variety of procurement expos and business fairs to promote Anne Arundel County as a “welcoming” place to do business. Participation in this year’s events included:

- Procurement Connections/Natl Women Biz Owners Month w/First Lady Hogan-GOMA
- Women’s Conference – SCORE 390/AACC
- Developers/Builders Forum – Maryland Construction Network
- Leaders & Legends Gala – Capital Region Minority Supplier Development Council
- Meet the Primes- Baltimore Metropolitan Council/BCPS
- Intl Women in Business Luncheon-T-Rose Intl Mgmt Group (panelist)
- Matchmaking Session – Alliance Baltimore
- Contractors’ Briefing– AACPS
- Glen Burnie High School Job Shadow Project – Grady Wright Associates
- Minority, Small Business Outreach Fair - MWMCA/Md Live Casino
- 3rd Annual Food Enterprise Conference – Univ. of Md/SBDC
- TechBridge Industry Day – AAEDC/Anne Arundel Co government/ AACPS
- LinkAnnapolis (3)
- Global Chamber – Baltimore
THE PURCHASING AGENT’S FISCAL 2017 REPORT

- Legislative Reception – Md Hispanic Chamber of Commerce
- Annual Black History Month Celebration – Md Live Casino/MWMCA
- Launch – Central Md Chamber & West County Chamber of Commerce
- Women Who Made A Difference Awards – North County Chamber of Commerce
- Multi-Chamber Business Exchange
- Open House – Bowie Business Innovation Center
- Multi-Cultural Business Networking Event – BWI Intl & Martin Airports
- Fed Path Series: Aspects of Teaming with GovMates – AAEDC/CIC
- Annual Women Spanding the Globe Leadership Conference – JHU/World Trade Ctr. Institute
- Quarterly Government Agency Procurement Fair (3) – Business Resource Center
- Chesapeake Coffee Connections (8) Annapolis, Severna Park, Gambrills, Edgewater
- Title VI Program/EO Contract Compliance Review Training for Local Agencies – SHA

SPECIAL PROJECTS

Captain’s Club Apparel Company

In collaboration with the Anne Arundel Economic Development Corporation and the Annapolis Mayor’s Office of Economic Development, OCS/MBEP staff assisted in planning a successful “ribbon cutting” ceremony for Captain’s Club Apparel Company located on Main Street in downtown Annapolis. Speakers included Randall Toussaint, Hollis Minor, and Alderwoman Sheila Finlayson.

Jason Conley, co-owner of Captain’s Club Apparel Company, was featured on the July episode of the Minority Business Report. A resident of Maryland, Mr. Conley is a professional basketball player in the European leagues. Originating in Martha’s Vineyard, Ma., the company sells sportswear geared to the nautical community bearing a distinct logo of two crossing anchors.

SHA Business Development Accelerator Program

The US Dept. Transportation requires recipients of Federal transit funds to establish a business development program to help disadvantaged business enterprises (DBEs) build capacity to participate in the highway construction industry. Under a new State initiative, the College of Southern Maryland/Small Business Development Center received a grant to develop a program in Maryland to increase participation of minority and women-owned firms in SHA projects.

AAEDC and OCS/MBEP staff were contacted by SBDC consultants to help facilitate the outreach and recruitment of Anne Arundel companies. On September 26, 2016, SBDC, AAEDC and OCS hosted Bid Barriers: Securing Government Business workshop at the Chesapeake Innovation Center, Odenton.
Speakers participating in the session included:
Anne Frank, CSM/SBDC
Candace Pruitt, SBDC/AAEDC
Randal Toussaint, AAEDC
Gerard Neely, Md Property Assessed Clean Energy (PACE) Financing
Andrew Hime, Anne Arundel County Purchasing Division
Joanne Jackson, Anne Arundel County Office of Central Services/MBEP
Bill Gibbons, Arundel Community Development Services

How to Obtain Certification for Opportunities at Port Covington & Small Business Reserve Program

On April 24, 2017, the Office of Central Services/MBE Program, in partnership with the Anne Arundel Economic Development Corporation and the Governor’s Office of Small, Minority and Women-Owned Business Affairs (formerly Governor’s Office of Minority Affairs) hosted an information session on How to Obtain Certification for Opportunities at Port Covington & Small Business Reserve Program. Presenters included:

- Courtney Billups, Esq., City of Baltimore Minority & Women Business Owners Office;
- Catherine Paff, Sagamore Development
- Eduardo Haydon, Governor’s Office of SMWoBA
- Carson Arnold, Arundel Community Development Services, Inc.

The redevelopment of Port Covington by Sagamore Development is one of the largest urban renewal projects in the country encompassing 260 acres of waterfront property in south Baltimore estimated to cost $5.5B to construct. Minority and women-owned firms interested in participating in the construction & development of Port Covington are required to obtain certification from the City of Baltimore.
This information session was designed to:

- Present an overview of current business opportunities available at Port Covington and Anne Arundel County
- Provide opportunity for small, minority & women-owned businesses to learn about the certification process required for doing business in the City of Baltimore; and the Maryland Small Business Reserve Program
- Help local firms establish “peer” contacts with other businesses in the region.

Anne Arundel County firms learned about the process and requirements for doing business, not only with the City of Baltimore, but also Sagamore Development. Attendees also obtained a better understanding about the Md Small Business Reserve program which was recently transitioned from the Dept. of General Services to being administered by the Governor’s Office of SMWoBA.

**Business Appreciation Week**

Business Appreciation Week is a collaboration of AAEDC, various county agencies and other business professionals from the public/private sector who participate in site visits to local firms during May 2-4, 2017. These visits provide BAW representatives an opportunity to listen to concerns and suggestions from the business community; and to thank entrepreneurs for their investment in the County. The M/SBE Coordinator teamed with AAEDC staff and representatives from the Northern Anne Arundel County Chamber of Commerce to conduct site visits to Hope for All, Inc. and Bruster’s Ice Cream in Glen Burnie.

**FY 2018 GOALS**

- Team with regional partners to develop business outreach events
- Increase minority/women business enterprise utilization by 5%
- Update online Directory of Minority & Women-Owned Businesses
## CONSTRUCTION CONTRACTS

<table>
<thead>
<tr>
<th>YEAR</th>
<th># AWARDED</th>
<th>VALUE OF AWARDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>CY 2013</td>
<td>43</td>
<td>*$133,057,759</td>
</tr>
<tr>
<td>CY 2014</td>
<td>52</td>
<td>$53,666,691</td>
</tr>
<tr>
<td>CY 2015</td>
<td>48</td>
<td>$90,168,628</td>
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<tr>
<td>CY 2016</td>
<td>68</td>
<td>**$125,754,722</td>
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<tr>
<td>FY 2017</td>
<td>52</td>
<td>$117,136,879</td>
</tr>
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</table>

* Cox Creek - $86,841,073  
** Patuxent WFR Expansion - $44,260,000
**ARCHITECTURE/ENGINEERING OPEN END TASKS**

<table>
<thead>
<tr>
<th>YEAR</th>
<th># PO’s AWARDED</th>
<th>VALUE OF AWARDS</th>
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<tbody>
<tr>
<td>CY 2013</td>
<td>102</td>
<td>$5,290,312</td>
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<tr>
<td>CY 2014</td>
<td>176</td>
<td>$9,175,919</td>
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<tr>
<td>CY 2015</td>
<td>155</td>
<td>$8,348,793</td>
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<tr>
<td>CY 2016</td>
<td>130</td>
<td>$5,997,842</td>
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<tr>
<td>FY 2017</td>
<td>142</td>
<td>$7,168,943</td>
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</tbody>
</table>

![Bar chart showing the number of awards and value of awards per year.](chart1.png)  
![Bar chart showing the number of awards and value of awards per year.](chart2.png)
## A/E and Miscellaneous Service Contracts

<table>
<thead>
<tr>
<th>YEAR</th>
<th># AWARDED</th>
<th>VALUE OF AWARDS</th>
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</thead>
<tbody>
<tr>
<td>CY 2013</td>
<td>177</td>
<td>$15,100,576</td>
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<tr>
<td>CY 2014</td>
<td>207</td>
<td>$32,307,192</td>
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<tr>
<td>CY 2015</td>
<td>215</td>
<td>$40,845,202</td>
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<tr>
<td>CY 2016</td>
<td>231</td>
<td>$44,521,936</td>
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<tr>
<td>FY 2017</td>
<td>218</td>
<td>$87,584,632</td>
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</tbody>
</table>

### Graphs:
- **# of Awards**
- **Value of Awards**
## NEW BIDS, BLANKETS & PRICE AGREEMENT CONTRACTS

<table>
<thead>
<tr>
<th>YEAR</th>
<th># SOLITATIONS</th>
<th>VALUE OF AWARDS</th>
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</thead>
<tbody>
<tr>
<td>CY 2013</td>
<td>139</td>
<td>$28,925,915</td>
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<tr>
<td>CY 2014</td>
<td>88</td>
<td>$26,184,367</td>
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<tr>
<td>CY 2015</td>
<td>173</td>
<td>$40,081,471</td>
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<tr>
<td>CY 2016</td>
<td>84</td>
<td>$52,847,957</td>
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<tr>
<td>FY 2017</td>
<td>70</td>
<td>$41,458,999</td>
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### Bar Charts

- **# OF SOLICITATIONS**
  - **2013**
  - **2014**
  - **2015**
  - **2016**
  - **FY 2017**

- **VALUE OF AWARDS**
  - **2013**
  - **2014**
  - **2015**
  - **2016**
  - **FY 2017**
MAIL ROOM OPERATIONS

This unit consists of one (1) Mailroom Supervisor, three (3) Mail Clerks, and one (1) part-time contract employee. Staff are responsible for the security and handling of Countywide mail pick-up at approximately 212 mail stops, delivery and processing of all incoming and outgoing mail and parcel packages. Service continues to be tailored to reflect our current staffing.

MAIL DISTRIBUTION

The County mail distribution system operates from Mail Room locations in the Arundel Center and the Heritage Complex. For FY 2017, 13,073 parcel packages were received and delivered within the County. Mail Room personnel track packages from time of receipt to time of delivery to the appropriate department by using the Smart Track Information System.

MAIL VOLUME

For FY 2017, the Mail Room processed 1,678,355 pieces of outgoing mail. This included 967,843 pieces of bulk mail for insertion jobs processed (some through the in-house machine and the rest thru outsourced services) and 710,512 additional pieces of routine mail processed through the mailing machines. Incoming mail cannot be specifically piece-counted, but is significant in volume.

The Mail Room has been working on mail information to provide guidance to the County departments to reduce costs, and answer questions. This information will be posted on the County intra-net website upon completion. This will include information to show County departments and agencies how to reduce costs by using USPS for sending packages.

PLANS FOR 2018

- To receive and install a new mail machine and inserter at the Arundel Center. To relocate the current mail machine to the Heritage Mail Room, and send the old mail machine to auction.
- To track the pre-sort savings due to use of the pre-sort mail system versus using regular mail costs.
- To conduct internal education of County departments regarding the cost savings by using USPS instead of UPS or FedEx.
- Continue employee training and incorporate best practices while keeping up with the new technology and mail requirements of the United States Postal Service.
- Maintain a high level of efficiency and security in mail processing and customer service.
# Mail Room Activity in Postage Dollars

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>January</td>
<td>$70,010</td>
<td>$74,168</td>
<td>$57,857</td>
<td>$67,432</td>
<td>$78,262</td>
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<tr>
<td>February</td>
<td>$50,676</td>
<td>$50,243</td>
<td>$58,492</td>
<td>$65,612</td>
<td>$56,549</td>
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<tr>
<td>March</td>
<td>$61,312</td>
<td>$74,241</td>
<td>$69,890</td>
<td>$89,717</td>
<td>$78,087</td>
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<tr>
<td>April</td>
<td>$53,244</td>
<td>$64,982</td>
<td>$58,265</td>
<td>$59,226</td>
<td>$54,084</td>
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<td>May</td>
<td>$60,296</td>
<td>$66,714</td>
<td>$69,222</td>
<td>$56,082</td>
<td>$64,308</td>
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<tr>
<td>June</td>
<td>$51,996</td>
<td>$64,060</td>
<td>$74,110</td>
<td>$70,477</td>
<td>$63,368</td>
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<tr>
<td>July</td>
<td>$138,308</td>
<td>$137,241</td>
<td>$147,916</td>
<td>$152,528</td>
<td>$152,528</td>
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<tr>
<td>August</td>
<td>$58,352</td>
<td>$56,382</td>
<td>$79,465</td>
<td>$65,368</td>
<td>$65,368</td>
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<tr>
<td>September</td>
<td>$69,621</td>
<td>$55,491</td>
<td>$65,802</td>
<td>$68,710</td>
<td>$68,710</td>
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<tr>
<td>October</td>
<td>$65,062</td>
<td>$72,493</td>
<td>$64,528</td>
<td>$55,908</td>
<td>$55,908</td>
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<tr>
<td>November</td>
<td>$61,282</td>
<td>$44,630</td>
<td>$67,900</td>
<td>$76,484</td>
<td>$76,484</td>
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<tr>
<td>December</td>
<td>$57,961</td>
<td>$72,129</td>
<td>$55,439</td>
<td>$65,669</td>
<td>$65,669</td>
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<tr>
<td><strong>TOTALS</strong></td>
<td><strong>$798,120</strong></td>
<td><strong>$832,774</strong></td>
<td><strong>$868,886</strong></td>
<td><strong>$873,212</strong></td>
<td><strong>$879,325</strong></td>
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</tbody>
</table>

### Postage Spent

![Postage Spent Chart](chart1.png)

### Number of Parcels Delivered

![Number of Parcels Delivered Chart](chart2.png)
NON-CAPITAL FIXED ASSETS

The Non-Capital Fixed Asset Program continues to improve each year under the administration of the Property Control & Accountability Manager (PC&A Manager). The current asset count is approximately 16,716, due to removal of desktop printers and monitors since the last inventory cycle. The reporting, safeguarding, and accounting for these items require the assistance of the County Property Coordinators as well as the PC&A Manager.

The online auction site, Property Surplus is used by the County to turn its surplus items into revenue for the County. Our “Cash for Trash” Campaign has entered its sixth year. For the fiscal year 2017 we conducted five (5) auctions which yielded $46,863 in revenue for the County.

The 2016 annual Non-Capital Fixed Asset Inventory was completed and the close out memo was submitted on December 14, 2016. The final count for inventory was 327 missing items representing a 1.48% of the total active items listed in EnterpriseOne.

The 2017 annual Non-Capital Fixed Asset inventory began on July 1, 2017 and is expected to be completed in December 2017. Purchasing will continue to encourage departments to attend training throughout the year. The PC&A Manager conducts training classes for new Property Coordinators, refresher classes for those Property Coordinators needing additional help in Asset Management, and also provides Pre-Inventory Training classes.

Purchasing updated the Property Control & Accountability Policies and Procedures in 2016. One important change in the new 2016 policies and procedures was the elimination of computer monitors and desktop printers from the inventory due to their low costs. Upon completion of the 2016 inventory, we successfully removed these items from the EnterpriseOne inventory system. The 2017 inventory should be completed even faster and more efficiently than last year’s inventory due to this change.

Purchasing has completed working with Finance to include the Capital and Non-Capital Property Control & Accountability Policies and Procedures in 2017, which were approved and went into effect in April 2017. Plans for the future include the potential for using new scanner technology in addition to or in place of the current scanners. The combination of the changes in inventory thresholds and new technology will improve inventory completion times and make the inventory process more efficient.

PRINT PORTAL

The County continues to use the Print Portal Program through Office Depot. With over 110 users, the PC&A Manager has conducted several one-on-one trainings sessions for the Print Portal.
DISPOSAL OF SURPLUS

SUPPLIES AND EQUIPMENT

In FY 2017, the County disposed of surplus supplies, equipment, and vehicles. The total revenue generated from the sale of surplus supplies, equipment, and vehicles was $322,784.

REAL PROPERTY

The Real Estate Division disposed of six (6) pieces of real property. The revenue received in FY 2017 from the sale (settled) of real property was $21,305.

RECYCLING REVENUE

The County continued its efforts in the sale of corrugated cardboard to be recycled collected from County facilities. The total revenue received from these sales was $48,314. Recycled tires accounted for $1,523.

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<tbody>
<tr>
<td>Auction of Surplus Vehicles, Equipment &amp; Materials</td>
<td>$69,064</td>
<td>$133,996</td>
<td>$174,190</td>
<td>$265,269</td>
<td>$322,784</td>
</tr>
<tr>
<td>Real Property</td>
<td>79,450</td>
<td>350,001</td>
<td>0</td>
<td>0</td>
<td>21,305</td>
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<tr>
<td>Junk Tires from Central Garage</td>
<td>2,128</td>
<td>2,048</td>
<td>1,681</td>
<td>2,257</td>
<td>1,523</td>
</tr>
<tr>
<td>Corrugated Cardboard</td>
<td>34,793</td>
<td>28,357</td>
<td>12,443</td>
<td>43,202</td>
<td>48,314</td>
</tr>
<tr>
<td>Total Proceeds from Surplus Sales</td>
<td>$185,435</td>
<td>$514,402</td>
<td>$188,314</td>
<td>$310,728</td>
<td>$393,926</td>
</tr>
</tbody>
</table>
Christine A. Romans
Central Services Officer

Andrew Hime
Purchasing Agent

ANNE ARUNDEL COUNTY
GOVERNMENT
HERITAGE OFFICE COMPLEX
2660 RIVA ROAD, MS 9302
ANNAPOLIS, MARYLAND 21401