



**Submitted to:**

The Honorable Stuart Pittman,  
County Executive

And

**The Honorable Members of the County Council:**

- Lisa D.B. Rodvien, Chairman – District 6
- Andrew Pruski, Vice Chairman – District 4
- Sarah F. Lacey, Councilmember – District 1
- Allison M. Pickard, Councilmember – District 2
- Nathan Volke, Councilmember – District 3
- Amanda Fiedler, Councilmember – District 5
- Jessica Haire, Councilmember – District 7



**Office of Central Services  
Purchasing Division  
FY 2022 ANNUAL REPORT**

ANNE ARUNDEL

# FY22

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## EXECUTIVE SUMMARY

The Purchasing Division operates within the Office of Central Services in accordance with Article 8 of the Anne Arundel County Code and the County Charter. The Purchasing Agent is responsible for the Centralized Purchasing Operation, Capital Construction, Consultant Selection Contracts, the County-wide Courier/Mail Delivery Service, the Minority and Small Business Initiatives, and the Non-Capital Fixed Asset Program.

In Fiscal Year 2022, the division had a staff of twenty-four (24) full-time merit employees, one contractual management aide, one (1) contractual buyer, and one (1) part-time contractual mail clerk. Buying teams were reorganized into five (5) categories, to distribute the procurement workload. The Buying Teams Categories are:

- Capital Improvements
- Facilities and Public Works
- Public Safety and Human Services
- Technology and Transportation
- Administration, Parks, and Planning

Employees in the Purchasing Division are tasked with procuring all goods and services required by the County. As seen Countywide, Purchasing has seen and felt the personnel shortages and experienced many vacancies over the last fiscal year. Although the impact of those shortages had a negative impact on procurement operations it was minimized by a very dedicated and loyal staff who worked tirelessly to ensure County operations continued as normal. In FY22, the Purchasing Division processed 82,613 procurement transactions, which included purchase orders, change orders, direct payments, blanket order releases against annual contracts, and procurement card transactions for a total value of \$541,557,585. In addition to our purchasing staff, our Division has an exceptional Mailroom team who ensures that the mail for all County facilities arrives and is sent out every day. In 2021, the Mail service staff handled 1,602,511 pieces of outgoing mail, with a cost of \$902,287 and 16,688 incoming parcels.

In FY22 the Purchasing Division has seen the total number of WMSBE businesses increase by 64% over FY21. In FY22, the County spent \$140,623,989 million (26% of total spend) with Minority, Veteran, Small, and Women-owned Business Enterprises. We expect this number to continue to grow with a focus on outreach, education, training, and additional communication with potential minority and small business vendors.

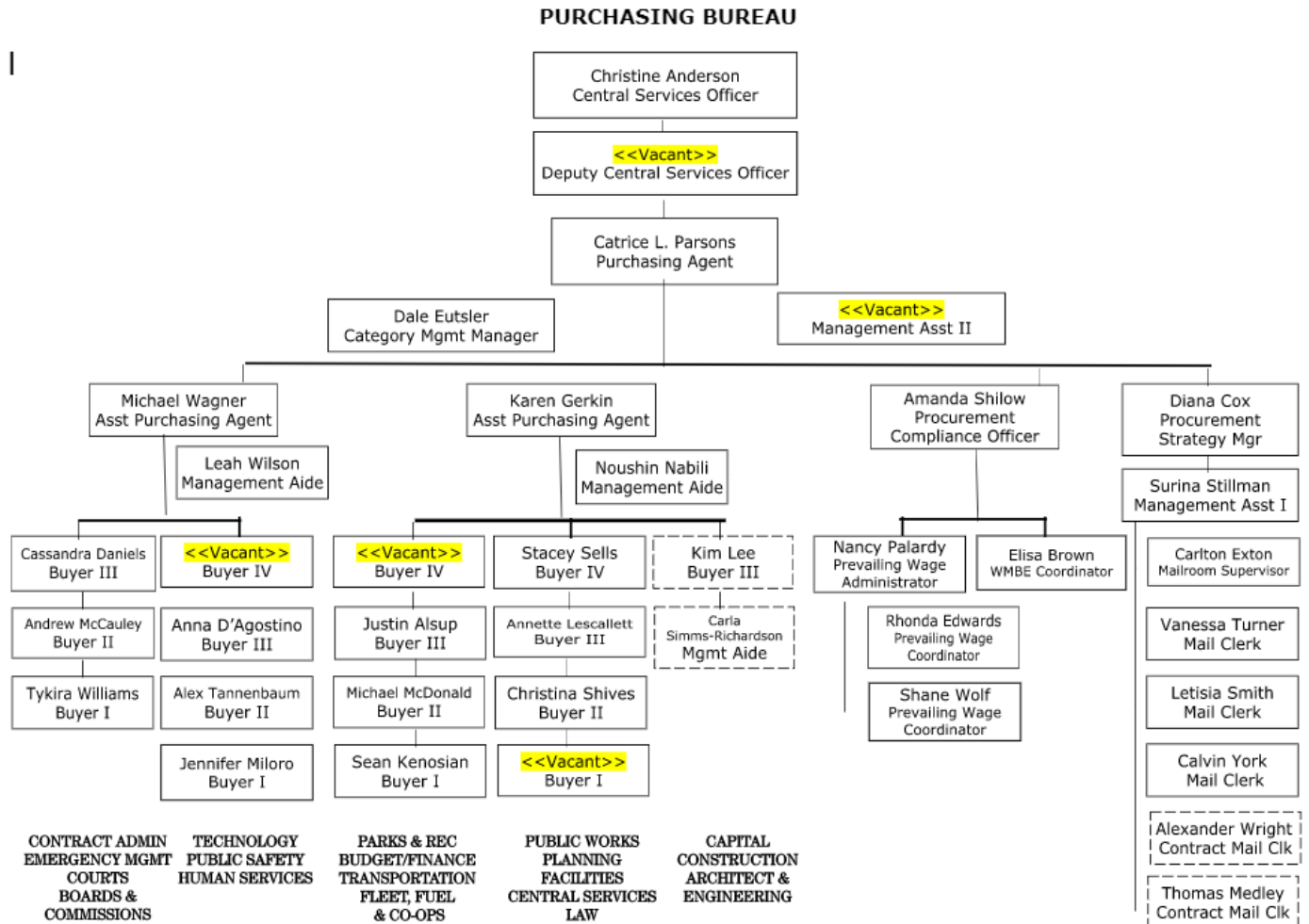
# VISION STATEMENT

The vision of Anne Arundel County’s procurement division is to become a source of excellence in how we procure goods and services for our County’s using agencies while being fiscally responsible. We will accomplish this vision by strategically sourcing goods and services, establishing key performance indicators, streamlining procurement initiatives, and automating processes.

# MISSION STATEMENT

Procurement’s Mission is to aggregate spend by creating economies of scale, reduce risk, and right-size the procurement of goods and service through efficient, inclusive, and effective means and methods in its sourcing activities.

# ORGANIZATIONAL CHART



## STRATEGIC GOALS

### Increase Efficiency in the Procurement Process

#### Operational:

- Develop an internal technology tool to monitor procurement actions
- Change organizational structure to provide better management and oversight for an increased buyer headcount
- Update position descriptions to ensure consistency and uniformity in job functions.
- Provide better oversight of roles and responsibilities to ensure a consistent work product.
- Create succession planning and mentoring programs to create a culture of support and growth.
- Consolidate spend to gain economies of scale, consistency of goods and services, and to reduce vendor management.

#### Policy:

- Review policies for increased efficiencies and streamline processes
- Create a program structure to institute the first-ever prevailing wage, local hire, and apprenticeship program within Anne Arundel County
- Enhance the County's existing MBE program with targeted outreach

#### Tools & Systems:

- Use information from the disparity study to create a dynamic MBE program with monthly monitoring, reporting, and outreach initiatives.
- Develop reporting mechanism to advocate better communication between using agencies and procurement initiatives to include tracking and reporting.
- Develop key performance indicators to gauge operational excellence.

## HIGHLIGHTS & ACCOMPLISHMENTS

### **FY22 Major Accomplishments:**

- Managed the executive and legislative processes to increase the small procurement threshold to \$100,000 to reduce the number of formal procurements which in turn reduces the time to procure goods and services and the workload associated with formal procurements
- Awarded a contract to produce a disparity study that will provide expert recommendations on how to enhance and continue to grow the County's MBE program
- Established procurement tracking tool, SmartTrack, to ensure procurements are tracked and managed in accordance with policies and procedures
- Developed a \$5,000 report for all procurements over \$5,000
- Developed an onboarding training program for new procurement team members
- Registered over 600 new vendors in PORT
- Continued to fill staff vacancies
- Realized \$163,223 in savings and cost avoidance
- Effectively sourced over \$21.5 million in goods in services needed to combat COVID-19
- MBE grew procurement spend with MBE businesses by 64% over last year
- Added three new prevailing wage positions in FY23
- Conducted Phase 1 Baseline Disparity Study

### **FY23 Key Objectives**

- Wrap up the disparity study and develop a more robust MBE program based on the results of that report
- Continue the development and potential implementation of the County's new ERP system, WorkDay
- Develop key performance indicators
- Create better alignment and reporting for using agencies
- Streamline policies and procedures to ensure consistency in the procurement process
- Develop better catalogs of contractual documents and solicitations
- Partner with using agencies for enhanced communication and improved turnaround time on procurements

## NEW INITIATIVES

Purchasing is committed to its mission statement. The importance of being able to quickly adapt and reprioritize with a positive attitude is a requirement of the environment.

### Sr. Management & Managers:

- Present a united front and contribute to the mission and ensure that the organization's objectives are being met
- Invest time in automating processes
- Communicate clearly with direction about roles and responsibilities
- Ensure consistency across the division

### Procurement Professionals:

- Be customer service focused
- Research procurements and ensure best practices are followed
- Ensure buying teams are trained, knowledgeable, and able to identify areas of opportunity

### Improving Customer Service:

- Provide periodic updates to their using agencies
  - Develop reporting to support a collaborative environment
- Understand not only the procurement policies and procedures but also research and understand what is being procured.

### Training and Continuing Education

- Increase training programs for procurement staff and agencies.
- Create succession planning, cross-functional teams, and collaboration

### Develop Prevailing Wage Program

- Develop a master plan for the division based on program requirements
- Build a team that fosters collaboration, understanding, and compliance with prevailing wage requirements
- Create forms, policies, and key performance indicators to identify opportunities for improvement and success

### Develop a Comprehensive MBE program

- Hire a Procurement Compliance Officer who will oversee the County's MBE, DBE, and Prevailing Wage Programs
- Develop reporting procedures
- Train procurement staff to take on and conduct competitive RFPs utilizing new MBE processes and templates
- Use the disparity study to glean and implement areas of opportunity for the County's MBE program

### Records Improvement & Digitization

- Ensure all digitized records are easily identifiable and researchable on the County platform
- Ensure procurements are updated in its procurement compliance reporting tool internally and to using agencies

### Workday ERP Preparation and Implementation

- Support OIT's project of implementing a new ERP system.
- Subject Matter Experts to continue leadership roles in advising on aspects of implementation and design, configuration, and integration with our e-Procurement system

## PROCUREMENT OPERATIONS

The overall operation consists of two (2) Assistant Purchasing Agents, one (1) Procurement Strategy Manager, one (1) Category Management Manager, seventeen (17) Buyers, and three (3) Office Support Staff. The teams are assigned the task of procuring all equipment, construction, supplies, materials, and services required to sustain the County's operations.

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 ensure they are up to date with current features and technology of products and services, identify responsible suppliers, and meet with these suppliers to learn about new products and services.

Buyers are constantly looking for more cost-effective buying options by networking, attending forums and government procurement-related conferences, and training. This includes reducing cycle times through the use of PORT and other electronic systems such as DocuSign. Through the review of current contracts purchasing is able to incorporate current funding totals, amendment funding increases, and the total not to exceed funding amounts on all contracts.

Purchasing continues to encourage training for our procurement professionals and buyers so they can take on additional responsibilities that will enable them to expand their procurement knowledge.

Purchasing transitioned all bidding and proposals to an electronic process to include virtual bid openings. This has significantly improved efficiency and cost to the County.

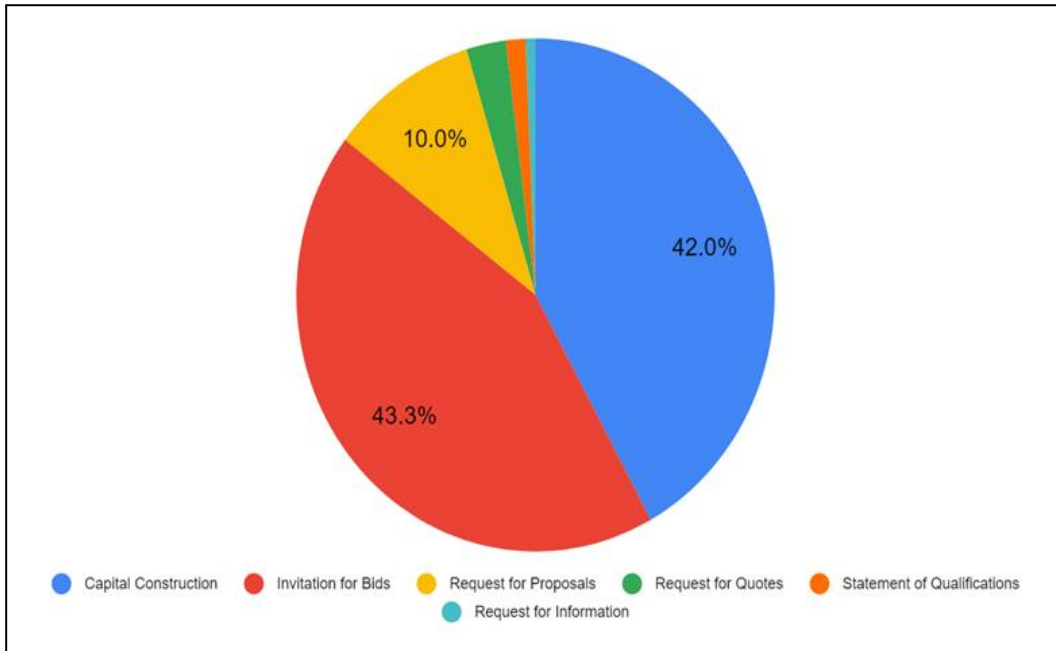


# PROCUREMENT ACTIVITY

The following chart illustrates the total annual transactions activity in Purchasing for Fiscal Years 2018 through 2022. These comparative totals indicate the diversity of our workload and the large volume of procurement conducted for contingencies. Solicitations are published on the County’s website, in a local newspaper, and on the PORT website in order to reach potential bidders. Buyers also use large local and national cooperative contracts when appropriate.

	FY18	FY19	FY20	FY21	FY22
<b>PURCHASE ORDERS &amp; CHANGE ORDERS</b>	2,165	2,211	2,181	1,975	1,944
<b>BLANKET ORDER RELEASES</b>	3,027	2,585	1,837	2,202	2,151
<b>DIRECT PAYMENTS</b>	6,320	5,871	5,777	4,920	4,944
<b>VALUE OF PO’S, CO’S, BLANKET RELEASES, DIRECT PAYMENTS</b>	\$489,469,612	\$433,558,631	\$474,995,511	\$441,202,500	\$497,561,374
<b>PROCUREMENT CARD TRANSACTIONS</b>	82,300	79,421	76,217	69,099	73,574
<b>VALUE OF PCARD TRANSACTIONS</b>	\$ 37,037,224	\$ 36,000,776	\$ 41,982,144	\$ 47,988,125	\$ 43,996,211
<b>TOTAL TRANSACTIONS</b>	93,812	90,088	86,012	78,196	82,613
<b>TOTAL VALUE</b>	\$ 526,506,836	\$ 469,559,407	\$ 516,977,655	\$ 489,190,625	\$ 541,557,585

## Procurement Methods



## Local Business Spend

In FY22, the value of contracts awarded to local businesses based in Anne Arundel County was \$77,245,676, or 14.3% of Total Spending (\$541,557,585).

FY 2022	Purchase Orders	Procurement Cards	Total Spend
Anne Arundel County-based Businesses	\$77,245,676	\$11,253,359	\$88,499,035
Anne Arundel County % of Total Spend	15.5%	25.60%	16.30%
Total Spend	\$497,561,374	\$43,996,211	\$541,557,585

## NEW BIDS, BLANKETS & PRICE AGREEMENTS

The following table show the number of formal bids solicited and the value of the resulting Blanket Contracts and Price Agreements awarded in FY22. There were 196 contracts awarded from the 150 formal solicitations. The below number of agreements include 65 new blanket contracts that had service agreements attached to them.

SOLICITATION TYPE	QUANTITY
Capital Construction	63
Invitation for Bids	65
Request for Proposals	15
Request for Quotes	4
Statement of Qualifications	2
Request for Information	1

## ePROCUREMENT

The County's eProcurement system, also known as PORT (Procurement Operations Resource Technology), is a secure, user-friendly, web-based system, an application that streamlines the processing of purchases, including agreements and vendor management, from requisition to contract award. The system supports a vendor-based registration system allowing potential bidders to submit online digital responses to solicitations, formal and informal, as well as receive and sign contract awards for Invitations for Bids, Requests for Quotes, Request for Proposals (RFP), emergency and sole source awards. Both the County Purchasing Division and vendors have realized reductions in postal and paper costs by submitting digital responses to solicitations.

In FY22, the County saw an increase in the number of vendors submitting their responses to solicitations in PORT. Product enhancements to PORT included:

- Contract and Solicitation Search Engines to make it easier to locate the files
- Post award evaluation tools
- Ability to compare versions of contracts
- Ability to receive notifications when vendors update their online profiles
- Improved reporting on contracts
- Ability to upload a large number of files as attachments at one time

### Contract Migration

The County has been actively migrating active contracts established by Purchasing to the new eProcurement System. This benefits Procurement by having a single unified repository of contracts. The PORT database helps to identify obligations to renew and amend contracts in accordance with the terms of the contract. The process includes:

- Scanning all paper documents into a database
- Extract data points from these contracts and build contract templates
- Upload contract templates and documents to the PORT System
- Review and tweak data elements of each contract and approve for publication
- Publish on the County's Intranet Contract Board

Purchasing currently has 649 contracts uploaded to the Contract Board. The migration efforts result in reduced risks of facing penalties or loss of resources and services due to premature expirations. It also provides quick access to all active contracts, which is available for research once they have expired and are placed in archives.

#### FY22 PORT Accomplishments

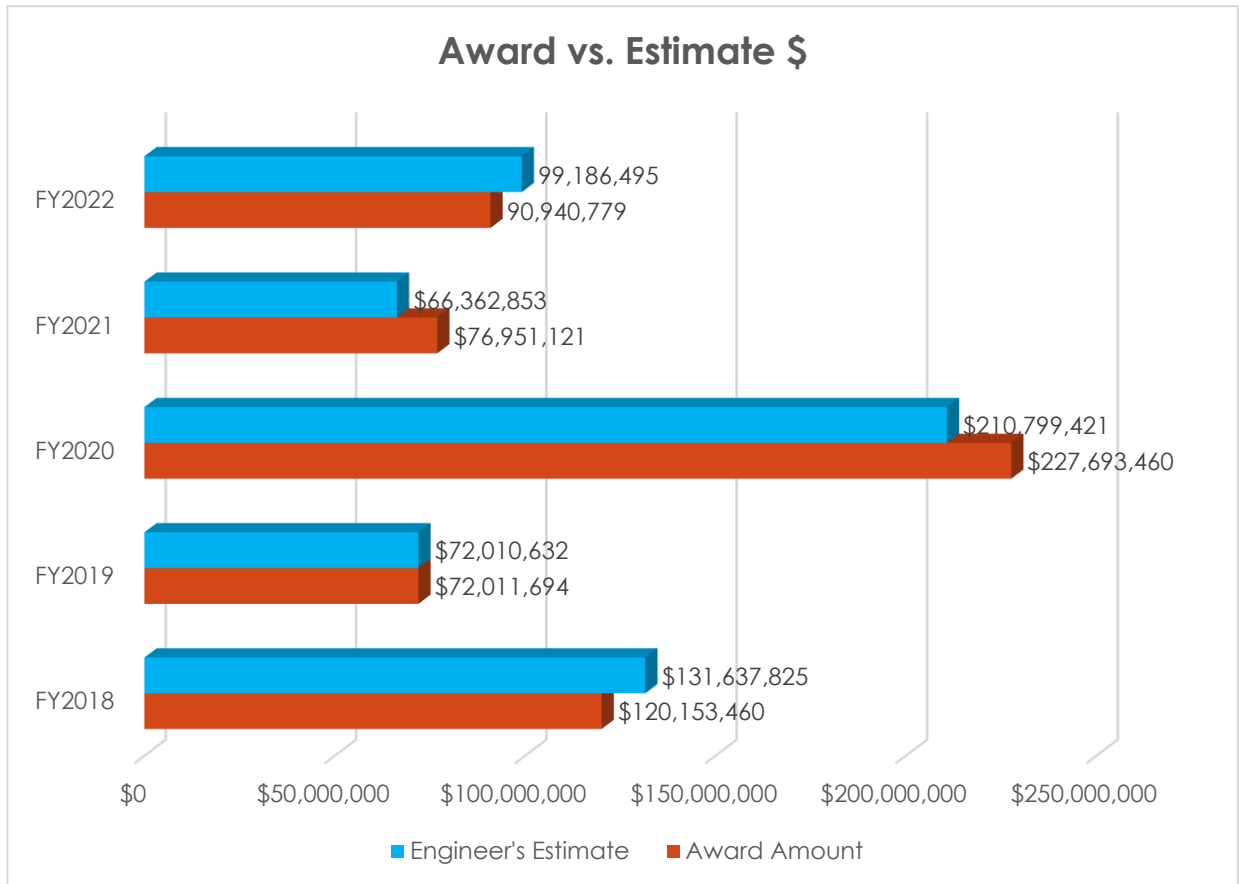
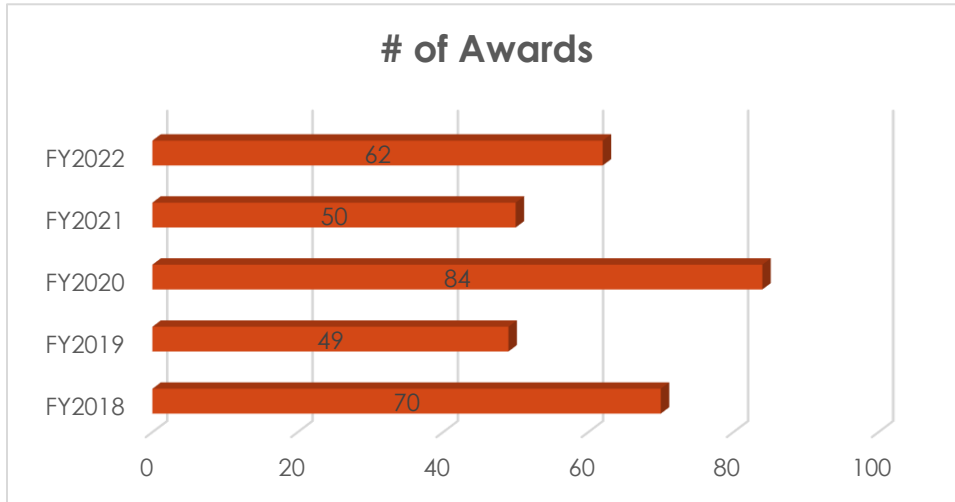
- 567 new vendors registered with PORT.
- Buyers issued 149 formal and informal solicitations.
- 140 Contracts were awarded and digitally signed.
- Began the process of migrating active contracts established outside of PORT.
- Continue to make great strides in establishing an integration effort between PORT and the upcoming new ERP System - WorkDay.
- Finished the digitizing effort of contracts issued outside of PORT.

#### FY23 PORT Goals

- Continue efforts with implementing the integration with the County's new ERP System (Workday).
- Continue Contract migration efforts, to include migration of all active files issued outside of PORT.
- Create single point of entry from requisition to purchase order to contract to close out.
- Adopt a new process where Buyers may elect to use DocuSign outside of PORT to obtain signatures on a contract.

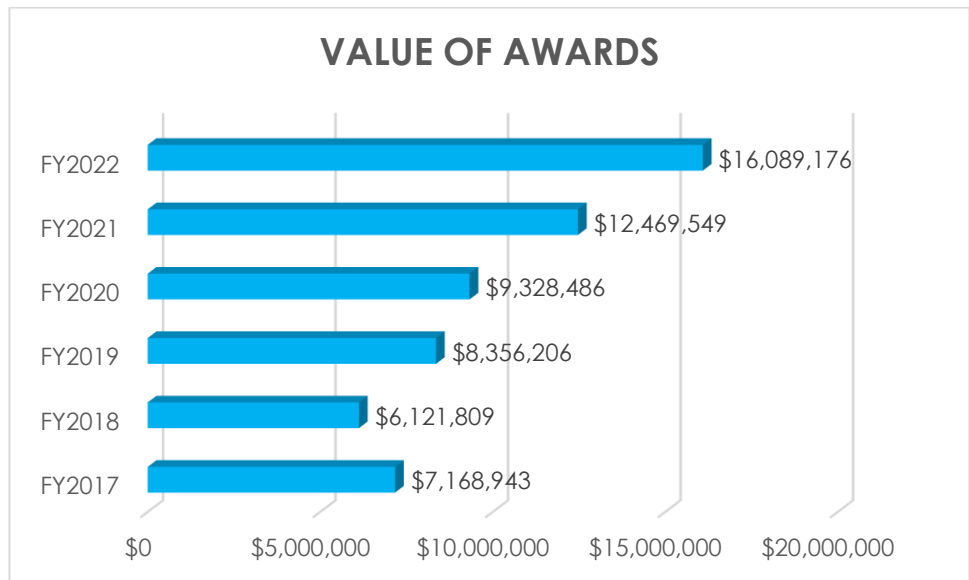
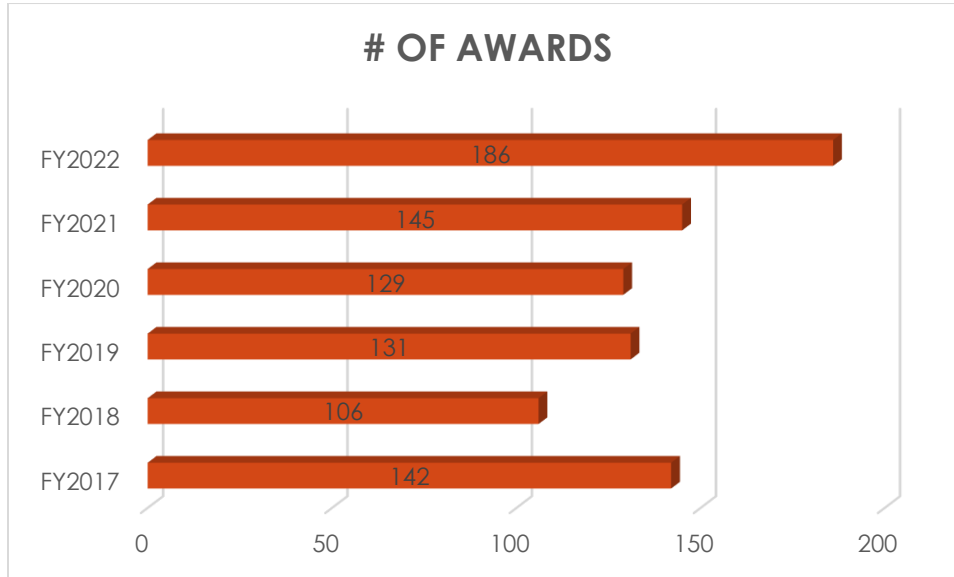
# CONSTRUCTION CONTRACTS

In FY22 construction contract awards increased approximately 25% from FY21 and the value of the awards are up approximately 18%. The value of awards compared to the Engineers Estimate for FY22 is slightly lower than the estimates, which could be attributed to the active bidding climate during this time period.



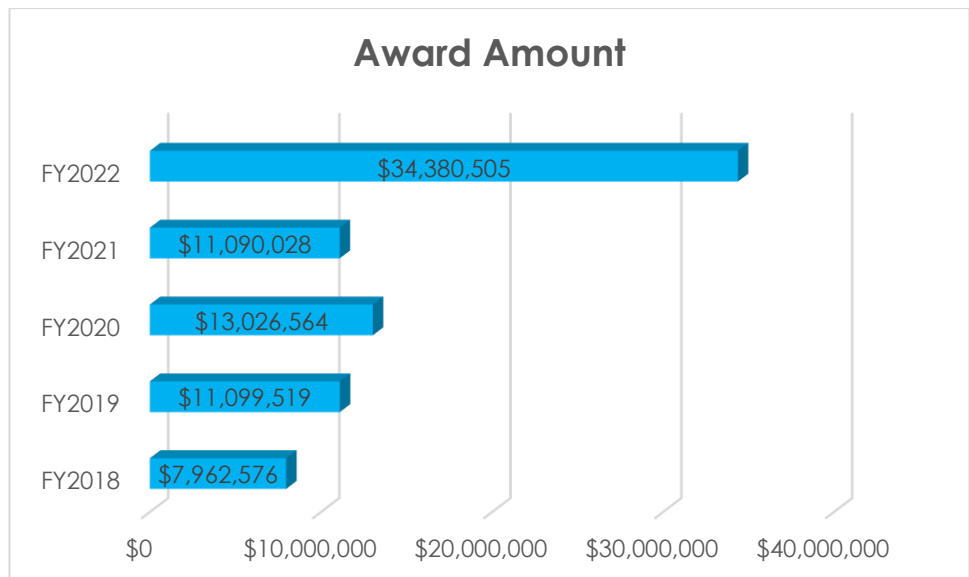
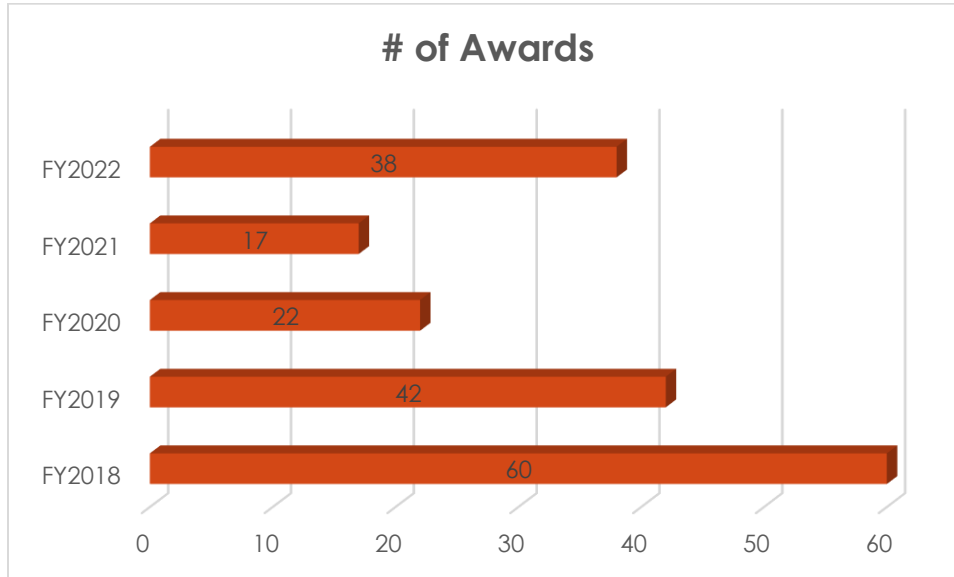
# ARCHITECTURE, ENGINEERING, OPEN-END TASKS

The following tables show the number and value of purchase orders and change orders issued during FY22 under the Architect/Engineering Open End Agreements. The number of Architect/Engineering Open End purchase orders and their value increased by approximately 28%. The increase in numbers and value contributed to the higher value per task order of \$250,000 and the increased volume of capital project requests received in Purchasing.



# ARCHITECTURE, ENGINEERING & MISCELLANEOUS SERVICES

In FY22 the County awarded 38 formal service agreements. The number of awards decreased by about 44% from last year. There were no large agreements awarded during this timeframe. The number of A/E contracts are up significantly which can be attributed to the increased volume of requests received from Engineering this Fiscal Year as well as ten (10) task order agreements awarded. The number of miscellaneous service agreements are down because of an increase in the issuance of Letters of Acceptance; and because we were critically short-staffed for most of 2020.



# CATEGORY MANAGEMENT

The County Category Management program continues growth in order to provide operational efficiencies and a reduction in overall county expenditures for goods and services. While the program is still developing, new initiatives and goals have been established for this fiscal year as noted below in reaction to the rapidly changing and current inflation-stricken economy.

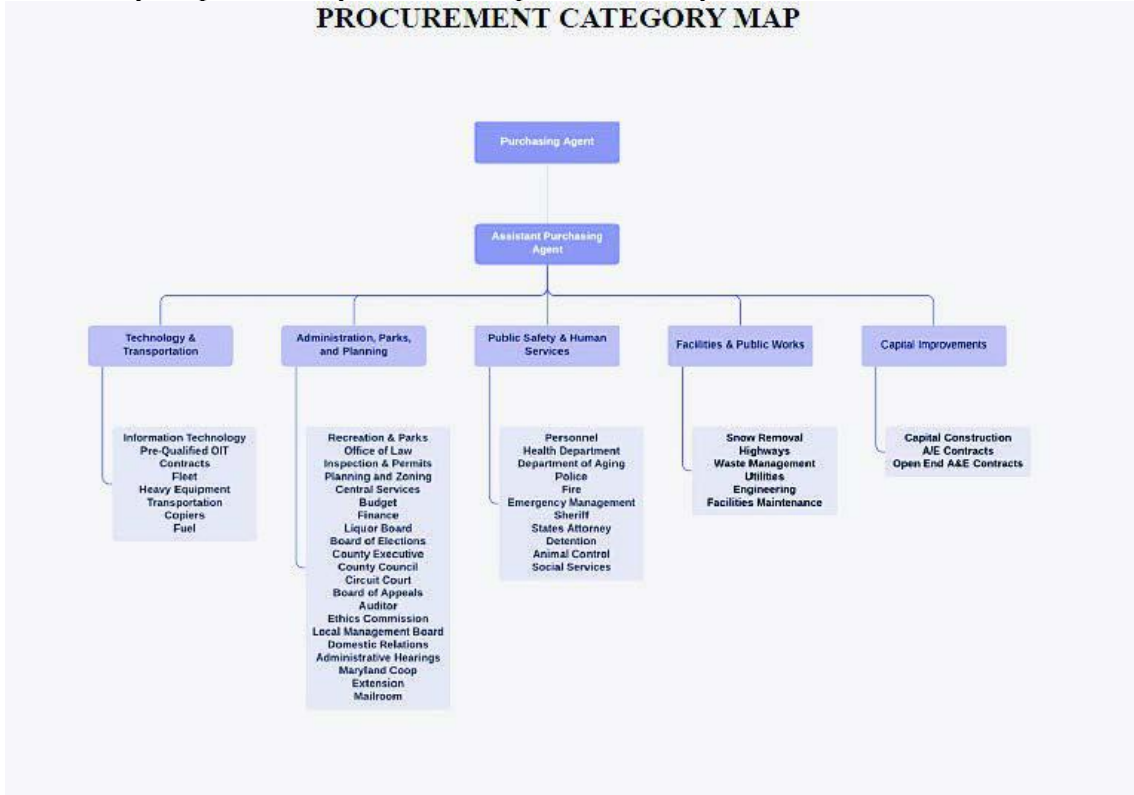
## Accomplishments FY22

- Achieved over \$2M in savings through Category Management buying efforts.
- Continued education for Buyers and Agencies to increase knowledge of strategic sourcing, cooperative purchasing, and category management.
- Started efforts with OIT for the future acquisition of industry-specific spend analytic tools that can be used to optimize cost efficiency, spend visibility, and strategic sourcing.
- Collaborated with strategic sourcing suppliers on their integrations of punch-outs/catalogs into the new Workday ERP system.

## Category Management & Sourcing Goals for FY23

- Lead a national cooperative procurement
- Achieve a minimum of \$2M in savings through Category Management
- Develop strategic contracts with currently non-contracted suppliers to further operational efficiencies and potential cost avoidance/savings through the use of contracts.
- Relaunch creation and distribution of quarterly Commodity CONES to educate end-users of efficient and cost-effective ways to purchase key addressable spend commodity areas.

**PROCUREMENT CATEGORY MAP**



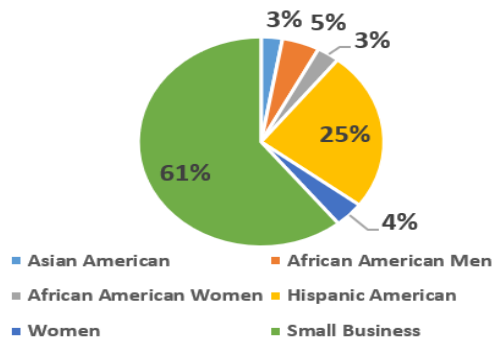
# MINORITY, SMALL BUSINESS AND WOMEN-OWNED ENTERPRISE PROGRAM

The County's small business mission is to continue to maintain and strengthen our local economy by enabling the viability and growth of all small businesses, giving them a platform to speak their concerns, and sharing resources that will assist and accelerate their businesses to the next level. The County's goal is to continue to educate businesses on how to work with Anne Arundel County and keep them abreast of new industry trends thereby preserving free competitive enterprise for each company.

## MBE Accomplishments for 2022:

- Growth of the Purchasing Division's MBE Unit with a new compliance component.
- Developed various aspects of the new Language access plan for OCS.
- Joined the County's Diversity Council to strategize on creating a diverse and inclusive atmosphere for the Purchasing Team as well as the Small Minority Business Community.
- In FY22 the Purchasing Division has seen the total number of WMSBE businesses increase by 64% over FY21.
- In FY22, the County spent \$140,623,989 million (26% of total spend) with Minority, Veteran, Small, and Women-owned Business Enterprises. We expect this number to continue to grow with a focus on outreach, education, training, and additional communication with potential minority and small business vendors.

W/MBE Percent Participation



The MBE Coordinator continues to work with the County's Diversity & Multicultural Outreach Officer on procurements. This outreach initiative is to bridge a gap with local minority groups through improved communication and increase knowledge of how the County's procurement process works.

The Coordinator continues to partner with the Economic Development Corporation as a judge and mentor for their newly initiated IVP Program.

## Event Participation:

- Department of Commerce Summit on Future Charting Success for women
- Webinar Marketing to Anne Arundel County
- PTAC (guest presenter) on How to Work with Anne Arundel County
- Worked with the graduates of the AAEDC IVP program
- Department of Commerce Summit on Future Charting Success for women
- CBCF Annual Legislative Conference
- Regional industry Virtual Networking
- U.S. Chambers "The Big Week for Small Business
- Vet Force Veterans Expo
- Women Who Lead - Connecting women Veterans and non-Veterans conference
- Annual SADBOC Government Procurement Virtual Training Week
- Annual Spring Meeting/Business Showcase Expo, (TBC)
- Minority Hispanic Business Talk session



# MAILROOM OPERATIONS

The Mailroom consists of one (1) Mailroom Supervisor, three (3) Mail Clerks, and one (1) part-time shop assistant. Staff is responsible for the security and handling of County-wide mail pick-up at over 200 mail stops that includes delivery and processing of all incoming and outgoing mail and parcel packages.

## Mail Distribution

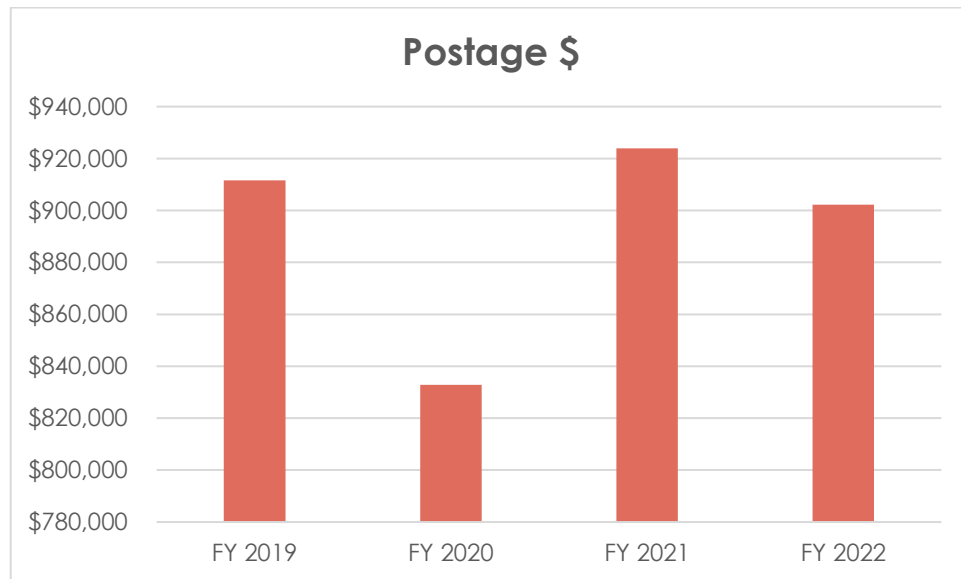
The County mail distribution system operates from two (2) Mailroom locations; the Arundel Center and the Heritage Complex. In FY 2022, 16,688 parcel packages were received and delivered within the County.

## Mail Volume

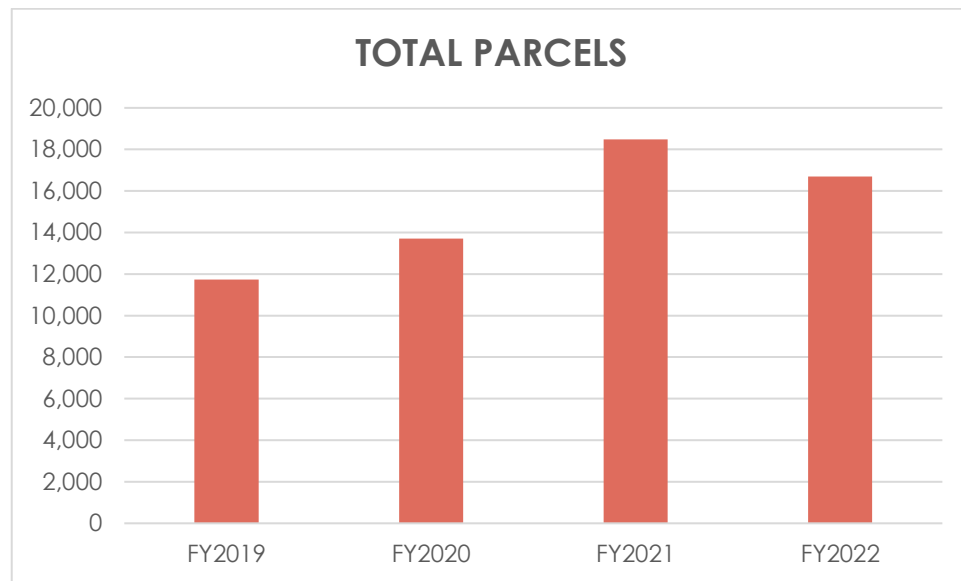
The Mailroom processed 1,602,511 pieces of outgoing mail. This included 1,027,006 pieces of bulk mail for insertion jobs processed and 574,505 additional pieces of routine mail processed through the mailing machines. The incoming mail continues to be significant in volume.

## Mailroom Activity in Postage Dollars and Parcels Delivered

The County saw a decrease of 129,596 pieces of outgoing mail from FY21 to FY22, a 7.48% decrease.



A total of 1,788 parcel packages were received and delivered within the County, a decrease of 9.67% over the last fiscal year.



## Mailroom Initiatives

New reporting metrics were implemented to account for incoming and inter-office mail volumes. These metrics will be used to develop and improve operations. Standard operating procedures that will enable operational consistency are still being developed and will be finalized before fiscal year 2024.

## Plans for FY23

- Continue to develop and implement new reporting metrics.
- Update and improve mailroom policies to increase operational efficiency and cost savings.
- Continue employee training and incorporate best practices while keeping up with the new technology and mail requirements of the USPS.
- Maintain a high level of efficiency and security in mail processing and customer service.
- Perform a thirty (30) day analysis of routes, and incoming and outgoing mail to realize any gains in operations.

## **NON-CAPITAL FIXED ASSETS**

The Non-Capital Fixed Asset Program manages over 16,000 non-capital assets. The reporting, safeguarding, and accounting for these items require the assistance of the County Property Coordinators as well as the Property Control and Accountability Manager.

### ***2021 Inventory***

The 2021 Annual Non-Capital Fixed Asset inventory was completed and the close-out memo was submitted on November 3, 2021. The final count for inventory was 358 unaccounted items, representing 2.1% of the total active items. This represents a decrease of 162 missing items over the previous year of 520 missing items a 31% improvement over the 2020 inventory. The decrease is attributed to departments being more diligent throughout the disposal process as well as being more attentive documenting items transferred from locations and departments.

### ***2022 Inventory Information***

The 2022 Pre-Inventory meetings and training for the newly updated application were held in June 2022 for property coordinators. The 2022 Annual Non-Capital Fixed Asset inventory began on July 1, 2022, and is expected to be completed by December 2022.

### ***Surplus Auctions***

The County uses the online auction site, PropertySurplus.com, to turn its surplus items into revenue. For fiscal 2022, twenty-three (23) auctions were held which yielded \$73,628.75 in revenue.

### ***Training***

Purchasing 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 also continues to work with departments to ensure proper documentation is created when items are moved for any reason.

## OTHER ACTIVITIES

### *Print Portal*

Over 145 County employees have registered for WB Mason's Print Portal. The print portal allows the County to increase efficiencies through print consistency, reduce cost, analyze usage, and standard practices.

### *Surplus Disposal*

Fleet's auction of surplus vehicles, equipment, and materials was \$397,633.44 in the fiscal year 2022.

### *Real Estate*

In the fiscal year 2022, the Real Estate Division disposed of two properties for a combined sale price of \$25,000.

### *Surplus Material Sales*

<b>Material</b>	<b>Revenue</b>
Aluminum	\$10,774.34
Compost	\$0.00
Sandstone	\$5,484.08
Vinyl Siding	\$1,999.20
Cardboard	\$92,397.68
Textiles	\$19,397.68
Cooking Oil	\$4,189.30
Electronics	\$0.00
Batteries	\$43,775.50
Used Motor Oil	\$2,910.65



*The Best Place for All*

*Anne Arundel County Government  
Office of Central Services  
Purchasing Division*

*Heritage Office Complex  
2660 Riva Road, MS 9302  
Annapolis, MD 21401*

*Christine M. Anderson, Central Service Officer*

*Catrice L. Parsons, Purchasing Agent*