

Annual Report FY2024



OCTOBER 1, 2024

**ANNE ARUNDEL COUNTY
OFFICE OF CENTRAL SERVICES
PURCHASING DIVISION**

Executive Summary

The Purchasing Division operates within the Office of Central Services under Article 8 of the Anne Arundel County Code and County Charter. The Purchasing Agent is responsible for the County’s procurement, non-capital fixed asset program, the mailroom operations, Procurement Access & Vendor Equity Program (PAVE), and Prevailing Wage and Local Hiring programs.

In FY2024, the Purchasing Division had thirty-seven (37) positions. Positions are made up of thirty-two (32) full-time employees, one (1) contractual management aide, two (2) contractual buyers, one (1) part-time temporary/seasonal mail clerk, and one (1) temporary print shop assistant. The Purchasing Division comprises five teams ([ORGANIZATION CHART](#)), listed below.

- Orange Team - Mailroom
- Green Team - Buying
- Blue Team - Buying
- Purple Team - PAVE & Prevailing Wage/Local Hiring
- Yellow Team - Strategic Planning and Administrative Functions

The Mailroom consists of four (4) full-time staff and one (1) part-time staff member. In FY2024, staff handled 12,848 incoming parcels, and 1,622,349 pieces of outgoing mail with a cost of \$1,061,116.28. The table below shows a comparison of FY2023 to FY2024 data metrics.

Metrics	FY2023	FY2024	% of Change
Parcel Packages	13,891	12,848	-8%
Outgoing Mail	1,637,184	1,622,349	-1%
Postage	\$990,462	\$1,061,116	+7%

The two buying teams are tasked with procuring all goods and services for the County. In FY2024 staff facilitated 87,743 transactions valued at \$694,886,831. The table below shows a comparison of FY2023 to FY2024 data metrics.

Metrics	FY2023	FY2024	% of Change
Non-Pcard Transactions	9,912	10,088	+2%
Non-Pcard Tran. Value	\$517,476,655	\$646,770,594	+25%
Pcard Transactions	74,373	77,655	+4%
Pcard Spend	\$45,273,956	\$48,116,237	+6%
Total Transactions	84,285	87,743	+4%
Total Spend	\$562,750,611	\$694,886,831	+23%

During Fiscal Year 2024, the County reviewed its Disparity Study and MBE data to develop a PAVE Strategic Plan, which outlined past, current, and future initiatives. In previous years, the County had an MBE goal to spend a minimum of 22% with small, women, and minority business enterprises. 2024 presented many challenges for the PAVE program that included:

- Staff turnover

- The change of data collection and reporting to a monthly versus annual basis
- Developing specific reporting criteria
- Since past spend and award data were combined, we pivoted to tracking data monthly versus once per year and will now break out spend and award data into two separate data points.
- Market analysis of the data

The Purchasing Division worked through these challenges and made a gallant effort to ensure Fiscal Year 2025 had a strong foundation for future initiatives. We worked diligently and were able to accomplish the following goals:

- Development of a County Self-Certification program
- Overhauled the MBE webpage and transitioned to the PAVE webpage
- Developed strategic training and outreach events
- Created an outward-facing CBE Calendar of Events
- Created a CBE Vendor database

As a result of these efforts, we are better able to strategically report, analyze, and audit our data than in previous years. The comparison data below may initially be seen as a decrease in MBE spending but it is actually a more accurate overview of the data and how our spend impacts the certified business enterprise community.

Metrics	FY2023	FY2024	% of Change
W/MBE Spend	25%	14%	*FY23 data had combined spend and award data
Award Data	Not Reported	38%	*FY23 data had combined spend and award data
CBE Spend \$	\$142,415,392.89	\$88,500,664	*FY23 data had combined spend and award data
CBE Award \$	Not Reported	\$100,403,395	*FY23 data had combined spend and award data

The Prevailing Wage and Local Hiring team also realized large accomplishments that included developing training for vendors and staff, auditing certified payrolls, and performing monthly onsite interviews to ensure vendor employees are being paid prevailing wages. As part of the Local Hiring legislation, the County has seen thirty-two (32) Anne Arundel County residents hired on County contracts. Lastly, the administrative team made great strides in strategically implementing initiatives to improve operations. Those improvements include:

- Development of a Category Management Plan
- Development of a Contract Administrative Handbook
- Using Agency training
- Development of a Quick Reference Guide
- Development of Training Plan Checklist for new hires

These efforts have resulted in realized gains that include:

- Implementation of strategic partnerships
- Training and guides to better assist end users with contract administration responsibilities
- Improvement of work product which helps reduce turnaround times for procurements
- Consistency of information and resulting data points
- Reduction in staff turnover, (16% in FY23 versus 11% in FY24)

The Purchasing Division will continue to make valiant efforts to ensure it provides a good and trustworthy procurement experience.

VISION STATEMENT

The vision of Anne Arundel County’s purchasing division is to become a source of excellence in the procurement of goods and services for the 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, reducing risk, and right-size the procurement through efficient and effective means and methods in its sourcing activities.

STRATEGIC GOALS FY24

Operational:

- Held numerous training events, to include:
 - Scope of work
 - Sole Source
 - Emergency
 - Expedited procurements
- Developed a quick reference guide for using agencies
- Developed a strategic plan for Purchasing and addressed deficiencies
- Performed a workload balance analysis
- Created a Training Plan Checklist for new hires
- Set-up weekly meetings with the Office of Law
- Trained buyers on budget, accounting, and fiscal year information
- Developed standard operating procedures
- Developed a risk model for buyers and Using Agencies

Policy:

- Conducted a procurement process review
- Charter and Code Revisions
- Developed the PAVE initiative
- Developed a Contract Administration Handbook
- Developed a Category Management Plan

STRATEGIC GOALS FY25

- Work on Oracle implementation
- Develop workflows, workflow analysis, and gap analysis to increase efficiency
- Development of guides for Buyers and Using Agencies
- Personnel Development plans
- Work with the Office of Law to simplify contracts and create riders
- Development of a Public Information Act Guide for Buyers, including training
- Development of a Records Retention Guide to ensure proper archival and document destruction functions occur
- Ensure all active contracts are in PORT and on the Master Contract List
- Create reporting metrics for Category Management
- Develop various trainings available on demand, virtually, or in-person
- Analyze CBE data and create workflow streams and gap analysis
- Increase CBE spend by 5% from FY24
- Create an onboarding manual for new hires

ePROCUREMENT

In FY24, the County began to fully implement its contract database by requiring all purchase contracts be created and stored in PORT. Product enhancements to PORT included:

- The ability for staff to download all solicitation documents by clicking one button.
- Contract Print button added to contract board.
- Administrative documents section added to contract database for uploading additional documents related to the contract, that are not necessarily legal contractual documents but are considered backup documentation, i.e., sole source justification, negotiations, etc.

Contract Migration

The County continues to migrate active contracts established by Purchasing to the 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 following the terms of the contract. The process includes:

- The uploading of contract 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

The migration efforts result in reduced risks of 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.

Accomplishments

- We are pleased to announce that 764 new vendors registered in the eProcurement system during FY2024.
- Redesigned how vendor diversity data is captured and integrated into the EnterpriseOne database.
- Designed and implemented a file naming system for the contract database.

Goals

- Continue migration efforts for contracts to PORT.
- Increase outreach to vendors and County end users to refine skills in using the eProcurement System.

PROCUREMENT ACTIVITY

Purchase Transactions for FY2024

The following chart illustrates the total annual transaction activity for Fiscal Years 2020 through 2024. The comparative totals indicate the diverse workload and the large procurement volume. To reach potential bidders, solicitations are published on the County’s website, in a local newspaper, and on the PORT website. Vendors registered in the eProcurement System receive emailed notifications. Buyers also use cooperative contracts when appropriate.

	FY2020	FY2021	FY2022	FY2023	FY2024
Purchase Orders/Change Orders	2,181	1,975	1,944	2,000	2,074
Blanket Order Releases	1,837	2,202	2,151	2,069	2,223
Direct Payments	5,777	4,920	4,944	5,843	5,791
Value of PO’s, CO’s, Blanket Releases, Direct Payments	\$474,995,511	\$441,202,500	\$497,561,374	\$517,476,655	\$646,770,594
Number of Procurement Card Transactions	76,217	69,099	73,574	74,373	77,655
Value of Procurement Card Transactions	\$41,982,144	\$47,988,125	\$43,996,211	\$45,273,956	\$48,116,237
Number of Total Transactions	86,012	78,196	82,613	84,285	87,743
Value of Total Transactions	\$516,977,655	\$489,190,625	\$541,557,585	\$562,750,611	\$694,886,831

New Solicitations and Agreements

The following data lists the number of formal and informal solicitations as well as the number of resulting Blanket Contracts and Price Agreements awarded in FY24. There were 70 price agreements and 129 blanket contracts awarded.

Solicitations

- There was an increase in formal solicitations in PORT
 - Formal Solicitations:
 - Invitations for Bids: 43
 - Capital Invitation for Bids: 48
 - Requests for Proposals: 9
 - Informal Solicitations
 - Requests for Quotes: 5
 - Miscellaneous Solicitations
 - Statements of Qualifications: 1
 - Letters of Interests: 0
 - Requests for Information: 4

Contracts

- New Price Agreements: 70
- New Blanket Contracts: 129

Local Spend

In FY24, the value of purchases awarded to local businesses based in Anne Arundel County increased to \$191,335,156, or 28% of Total Spending (\$694,886,831).

FY2024	Purchase Orders	Procurement Cards	Total Spend
Anne Arundel County-based Businesses	\$181,291,938	\$10,043,218	\$191,335,156
Total Spend	\$646,770,594	\$48,064,034	\$694,834,628
Total Spend vs. Local Spend	28%	21%	28%

CONSTRUCTION CONTRACTS

FY24, construction contract awards (68) are up approximately 40% from FY23. The value of the awards is also up approximately 250%. The increase in the number of awards and the value of the awards is attributed to the number of task order contracts (20) put in place for the Roadway Resurfacing & Rehabilitation Countywide, Crack Seal and Mastic Repairs Countywide, Masonry and ADA Curb Ramps Countywide. There were also several large projects awarded in FY24 for the Annapolis WRF Upgrades 2, Cattail Creek Rt 2 Force Main Replacement and Evidence & Forensic Scientific Unit projects. The value of awards (\$263,953,899) compared to the Engineer's Estimate (\$259,764,971) is slightly higher than the estimates which could be attributed to the current economic climate.

Total Number of Awards

FY2020	FY2021	FY2022	FY2023	FY2024
84	50	62	40	68

Total Value of Engineer's Estimates

FY2020	FY2021	FY2022	FY2023	FY2024
\$210,799,421	\$66,362,853	\$99,186,495	\$74,028,687	\$259,764,971

Total Value of Actual Awards

FY2020	FY2021	FY2022	FY2023	FY2024
\$227,693,460	\$76,951,121	\$90,940,779	\$79,633,046	\$263,953,899

ARCHITECTURE, ENGINEERING, OPEN END TASKS

The following tables show the number and value of purchase orders and change orders issued during FY24 under the Architect/Engineering Open End Agreements. The number of Architect/Engineering Open End purchase orders and their value increased by approximately 35%.

FY2020	FY2021	FY2022	FY2023	FY2024
129	145	186	162	219
\$9,328,486	\$12,469,549	\$16,089,176	\$12,470,881	\$19,092,707

ARCHITECTURE, ENGINEERING AND MISCELLANEOUS SERVICES

In FY24 the increase in awards and value of awards is attributed to several large AE Awards including the Regional Biosolids Facility Design (\$3,980,067), Water & Wastewater Asset Management Plan Study Task Order (\$4,500,000), DRP CMI Task Order Agreement (\$5,000,000), and the Joint 911 Center Design (\$2,648,912).

FY2020	FY2021	FY2022	FY2023	FY2024
22	17	38	27	34
\$13,026,564	\$11,090,028	\$34,380,505	\$16,048,287	\$35,316,630

CATEGORY MANAGEMENT

Category Management drives cost savings and operational improvements by implementing innovative sourcing solutions. The program is focused on optimizing resources and navigating inflationary pressures to ensure the County receives high-quality goods and services within budgetary constraints.

Accomplishments FY24

- Developed a Category Management Policy
- Fostered continuous education for Buyers and Agencies to enhance their understanding of strategic sourcing, cooperative purchasing, and category management.
- Forged and developed strategic contracts with national suppliers to recover over (\$26k) to the County through spend rebate programs.
- Collaborated with Risk Management to implement safety series with suppliers focused on standardizing products and reducing supply chain risk for mission-critical safety items.

Amazon Business: The FY23 enterprise Amazon Business account implementation efforts improved efficiency, spending controls, and standardized policies (saving \$11k) by consolidating 74 individual accounts in FY24 to the County's centralized Amazon Business account.

Category Management & Sourcing Goals for FY25

- Lead a national cooperative procurement
- Explore the possibility of an internal procurement marketplace with strategic suppliers through a single sign-on application to drive an improved and efficient buying experience for end users.
- Develop Category Management reporting and performance metrics for utilization in the County's newly planned ERP system.
- Conduct webinars/spotlights with strategic suppliers to drive category management awareness, cost savings/avoidance, and contract utilization.

SMALL, WOMEN-OWNED, AND MINORITY BUSINESS ENTERPRISE

REBRANDED TO

PROCUREMENT ACCESS & VENDOR EQUITY PROGRAM

Anne Arundel County Government (County) Procurement Compliance Team (PCT) advocates for inclusion and economic opportunities for minority, women, veteran-owned, small, and emerging businesses herein known as Certified Business Enterprises (CBE); and works to eliminate barriers to their participation in County contracts. The program is known as Procurement Access & Vendor Equity (PAVE). The percentage of overall spend with CBEs is 14% in Fiscal Year 2024.

Accomplishments for FY2024:

- [Developed the PAVE Strategic Plan](#)
- [Developed monthly reporting](#)
- Created a Self-Certification program for CBE vendors
- Attended and hosted thirty-nine (39) outreach events
- Parsed spend data from award data

During FY24, the PAVE program saw an increase in spend with Asian Americans by 4%, 1% with African Americans, 3% with Hispanic Americans and 6% with women owned business, a decrease of 14% with small business, Additionally we started reporting veteran owned business spend with the County.

CBE Designation	Purchase Orders & Direct Payments	P-Card	Total Spend	Percent Total
African American	\$6,874,200	\$129,807	\$7,004,007	8%
Asian American	\$6,997,942	\$31,769	\$7,029,712	8%
Hispanic American	\$15,553,511	\$67,062	\$15,620,573	18%
Small Business Enterprise	\$38,146,109	\$4,876,308	\$43,022,417	49%
Veteran Business Enterprise	\$336,070	\$110,077	\$446,147	1%
Women Business Enterprise	\$14,026,931	\$1,350,878	\$15,377,809	17%
Total	\$81,934,763	\$6,565,901	\$88,500,665	

In FY24 we started reporting awards to CBEs. This data is vital to overall CBE goals the County has established and shows a healthy amount of business with CBEs than was currently reported.

CBE Designation	Number of Awards	Awarded \$	% of Award
African American	4	\$443,704	.44%
Asian	2	\$2,055,916	2.05%
Hispanic	17	\$44,788,335	44.61%
Small Business Enterprise	42	\$29,700,858	29.58%
Veteran Business Enterprise	1	\$22,353	.02%
Women Business Enterprise	13	\$23,398,732	23.30%
Total	79	\$100,409,898	100%

PREVAILING WAGE AND LOCAL HIRING PROGRAMS

On July 1, 2022, the County launched the Prevailing Wage and Local Hiring Program, an initiative designed to enhance economic equity and support the local workforce. The Maryland Prevailing Wage Law applies to certain contracts for public works and requires that contractors and subcontractors workers engaged in public works projects a wage that reflects the prevailing rates established by the State Commissioner of Labor and Industry. By ensuring that workers are paid the rates they deserve, the County promotes a healthy and more sustainable local economy.

Accomplishments for FY2024:

- Developed Prevailing Wage & Local Hiring informational brochure for contractors.
- Developed Local Hiring Resource handout for contractors to assist them with finding Anne Arundel County residents looking for employment.
- Developed Local Hiring Quarterly Contractor Report Form.
- Developed Liquidated Damages Spreadsheet to track Liquidated Damages amounts
- Developed Contract Filing System
- Developed Contractor Vendor List for Capital Construction projects.
- Developed Monthly Contract Onsite review schedule to track how often Prevailing Wage Coordinators conduct reviews

Goals for FY2025:

- Develop a training catalog to ensure a comprehensive understanding of prevailing wage and local hiring requirements.
- Distribute updated information materials that clarify compliance responsibilities and promote best practices.
- Increase outreach efforts to local businesses and community organizations to encourage participation in the Local Hiring Program.
- Increase visibility of the program through social media and community events to raise awareness.
- Conduct a comprehensive review of the Prevailing Wage and Local Hiring program by the end of FY2025 to assess and identify opportunities for refinement.
- Establish reporting benchmarks

Metrics	FY2023	FY2024	% of Change
No. of prevailing wage contracts	12	48	300%
No. of onsite visits conducted	72	124	72%
No. of local hires	0	32	100%
No. of certified payrolls	81	2327	2773%
No. of apprentices	0	14	100%

MAILROOM OPERATIONS

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

Mail Distribution

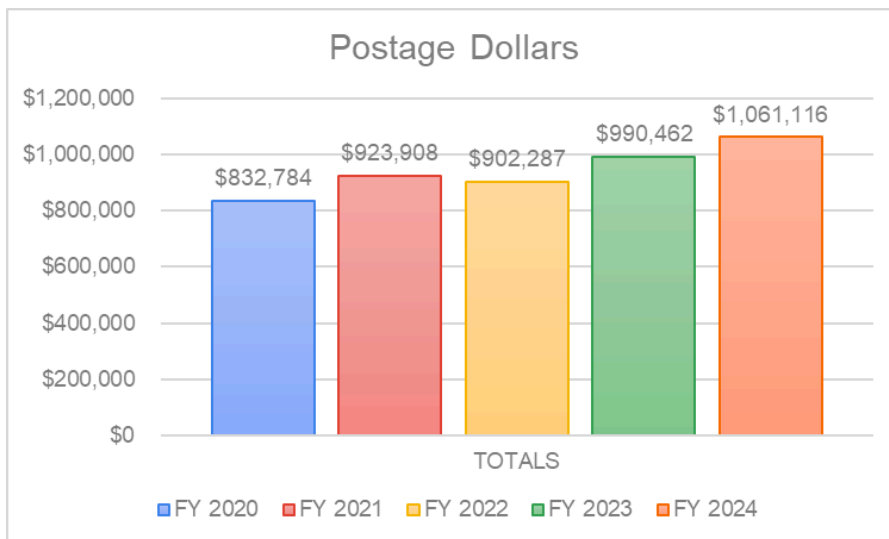
The County mail distribution system operates from two (2) Mailroom locations; the Arundel Center and the Heritage Complex. In FY 2024, 12,848 parcel packages were received and delivered within the County.

Mail Volume

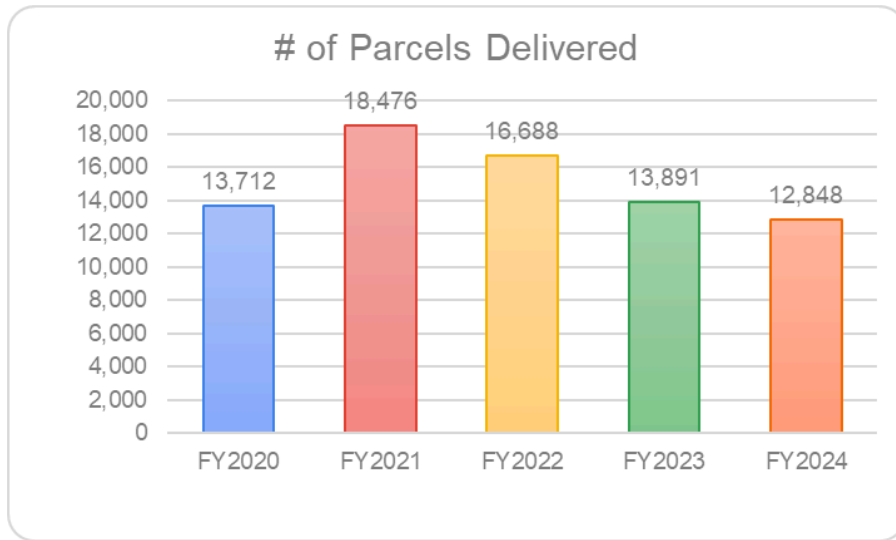
The Mailroom processed 1,622,349 pieces of outgoing mail at a cost of \$1,061,116. This included 1,014,656 pieces of bulk mail for insertion jobs processed and 607,694 additional pieces of routine mail processed through the mailing machines.

Mailroom Activity in Postage Dollars and Parcels Delivered

The County saw a decrease of 14,835 pieces of outgoing mail from FY23 to FY24.



A total of 12,848 parcel packages were received and delivered within the County.



Mailroom Initiatives

During our mailroom pilot program, comprehensive data and feedback were continuously collected. Following a thorough review of all the data, it was determined that we will adhere to the pilot program schedule and integrate the principles of this program. Communications went out to Department Heads on August 11, 2023. The "Will-Call" Wednesday service, which we have continued, has proven to be very successful in saving time and money.

The Mailroom Standard Operating Procedures were developed, finalized, and signed on November 15, 2023, aimed at ensuring operational consistency.

In January 2024, outdated mail machines, scales, and software at both mailroom locations were replaced with new equipment, resulting in enhanced operational efficiency.

In June 2024, we promoted our mail clerk, Letisia Smith, to Mailroom Supervisor. Her comprehensive understanding of mailroom policies and procedures, and extensive experience made the transition seamless.

Plans for FY25

- Continue to develop and implement new reporting metrics.
- Continue 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.

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.

2023 Inventory

The 2023 Annual Non-Capital Fixed Asset inventory was completed and the close-out memo was submitted on November 15, 2023. The final count for inventory was 322 unaccounted items, representing 1.9% of the total active items. This represents a decrease of 56 missing items over the previous year of 378 missing items, a 14.81% decrease over the 2022 inventory.

2024 Inventory Information

The 2024 Pre-Inventory meetings and training for the inventory application were held in June 2024 for property coordinators. The 2024 Annual Non-Capital Fixed Asset Inventory began on July 1, 2024, and is expected to be completed by December 2024.

Surplus Auctions

The County uses the online auction site, PropertySurplus.com, to turn its surplus items into revenue. For fiscal year 2024, sixty-eight (68) auctions were held which yielded \$77,239 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.

A new Non-Capital Fixed Asset site was developed, and an announcement was made on May 28, 2024. This new fixed asset site is for important information and a one-stop place that provides the Property Coordinators with the resources they need for fixed assets.

OTHER ACTIVITIES

Print Portal

Over 150 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 totaled \$1,142,375 in the fiscal year 2024.

Real Estate

In the fiscal year 2024, the Real Estate Division disposed of one property for a sale price of \$2,224,412.50.

Surplus Material Sales

MATERIAL	REVENUE
Aluminum	\$10,602.254
Steel	\$.00
Sandstone	\$18,153.35
Vinyl Siding	\$2,376.00
Cardboard	\$75,275.41
Textiles	\$14,988.03
Cooking Oil	\$4,751.90
Electronics	\$.00
Batteries	\$23,861.55
Used Motor Oil	\$37,128.35
Glass	\$1,294.20



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*

Susan Herrold, Central Services Officer

Catrice L. Parsons, Purchasing Agent