

Department of Procurement and Material Management

Mission The Department of Procurement and Material Management (DPMM) provides the resources that establish a foundation for quality service to the community through a diverse network of suppliers and contractors.

Focus The Department of Procurement and Material Management (DPMM) delivers value to County departments and residents through a business model that is the platform for the County's programs and services. The quality contracts and agreements establish reliable and valuable business relationships with suppliers and providers. The contracts and agreements balance pricing, risk, terms, and conditions to establish a resilient supply chain that benefits both the County and the business community. As of FY 2021, the Department of Procurement and Material Management consists of four operating cost centers: Contracts, Business and Technical Solutions, Material Management, and Grants and Sponsored Programs. The agency's cost centers work together with the fifth cost center, Leadership and Management, to provide first-class procurement and material management support to County departments, enabling those departments to deliver nationally recognized County programs.

The Contracts Division supports County operations by managing a portfolio of over 2,000 active contracts. Contract administration, including the solicitation, award, and management of the contracts is the central focus of the division staff. Contracting for goods and services is a tool to deliver significant operational savings to the County through the competitive bidding and negotiating process. The department is improving procurement processes through enhanced customer engagement, market analysis, and technology tools to develop contracts that align with the County's strategies to be an equitable, environmentally responsible, effective, and efficient government.

In addition to the savings attained through competitive sourcing in FY 2021, DPMM programs produced \$3,492,777 in revenue. The procurement card, office supply program, and other contract incentives generated revenue and rebates totaling \$1.973 million in FY 2021 and delivered tremendous administrative efficiencies for the County. The Material Management Division cost center manages the redistribution, sale, and disposal of surplus and excess County property. Although impacted by the COVID-19 health emergency, the web-based auction services sale of County surplus property produced over \$1.5 million in revenue through the sale of over 979 items.

The Department of Procurement and Material Management is committed to leadership in sustainable procurement. The supplier diversity program engages with small, women- and minority-owned (SWaM) businesses through outreach and education. In FY 2021, SWaM business participation reached \$229 million or 27.0 percent of procurement dollars expended through the central procurement authority. The supplier diversity program will continue to play a vital role in the equitable economic recovery from the COVID-19 health emergency. The department provides leadership and support to advance the County's environmental initiatives. DPMM has taken the lead, with the Office of Environmental and Energy Coordination, on the County's and Schools Zero Waste Plan, and has launched an ambitious corporate social responsibility program with County suppliers.

The Material Management Division delivers material management and logistical support to County agencies. The division manages the storage space at the central warehouse in a manner that is cost-effective and maximizes use of the facility. The cost center also services as a strategic resource in County and regional emergency planning and response. Due to receiving, storing, staging and delivery demands of the COVID-19 health emergency, the facility is currently operating at 165 percent of capacity. The Material Management Division supports the Fairfax County Public Library system and its patrons by transferring 2.42 million books annually from one branch to another. Consumable and fixed asset property management programs ensure the County effectively controls

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and manages these assets. Logistical support for the Office of Elections through storage, transportation, and security of elections equipment is a year-round function. A space study of the Logistics Center in Springfield concluded that additional space and security were needed for election equipment and personnel. The County has leased a 42,000 square foot facility on Morrisette Drive in Springfield to accommodate the over-capacity storage, elections equipment and personnel.

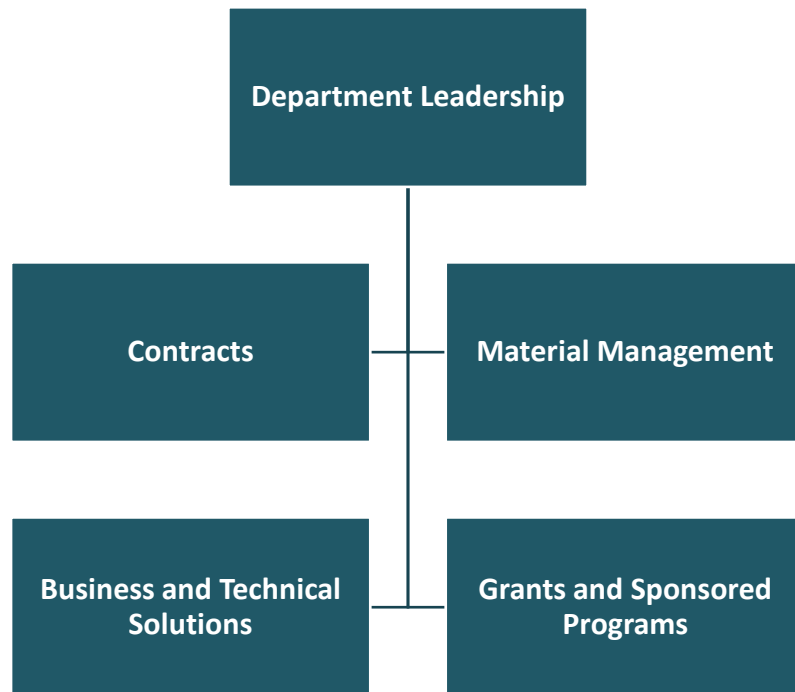
The core mission of the Grants and Sponsored Programs division is to provide strategic contract development consultation, targeted monitoring services for select contracts, and professional administration of agreements as needed for County business requirements, including memoranda of agreement, affiliation agreements, agreements for the purchase of services on behalf of clients, and agreements which receive or distribute grant funds. The department's work is achieved through a collaborative approach among the County's Health and Human Services System and other departments and is focused on maximizing and effectively managing contracts to sustain and grow programs as needed.

Pandemic Response and Impact

The Department of Procurement and Material Management has had a central role in the response to the COVID-19 health emergency. The Material Management Division continues to receive, stock, stage, and deliver critical supplies to departments, while resuming normal operations commensurate with the County's operating status.

DPMM will have an ongoing central role in the County's use of the American Rescue Plan Act funding as the County continues to respond to the public health emergency and its negative economic impacts.

Organizational Chart



Department of Procurement and Material Management

Budget and Staff Resources

Category	FY 2021 Actual	FY 2022 Adopted	FY 2022 Revised	FY 2023 Advertised
FUNDING				
Expenditures:				
Personnel Services	\$5,425,487	\$6,160,107	\$6,303,700	\$7,049,257
Operating Expenses	2,031,827	1,758,536	3,129,620	1,859,242
Subtotal	\$7,457,314	\$7,918,643	\$9,433,320	\$8,908,499
Less:				
Recovered Costs	(\$288,803)	(\$288,803)	(\$288,803)	(\$288,803)
Total Expenditures	\$7,168,511	\$7,629,840	\$9,144,517	\$8,619,696
Income:				
Contract Rebates	\$2,162,549	\$2,165,423	\$2,165,423	\$2,165,423
Total Income	\$2,162,549	\$2,165,423	\$2,165,423	\$2,165,423
NET COST TO THE COUNTY	\$5,005,962	\$5,464,417	\$6,979,094	\$6,454,273
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)				
Regular	76 / 76	76 / 76	74 / 74	81 / 81

FY 2023 Funding Adjustments

The following funding adjustments from the FY 2022 Adopted Budget Plan are necessary to support the FY 2023 program:

Employee Compensation **\$333,024**
 An increase of \$333,024 in Personnel Services includes \$247,020 for a 4.01 percent market rate adjustment (MRA) for all employees and \$86,004 for performance-based and longevity increases for non-uniformed merit employees, both effective July 2022.

Sustainable Procurement Program **\$271,064**
 An increase of \$271,064 and 2/2.0 FTE new positions, including \$182,064 in Personnel Services and \$14,000 in Operating Expenses, is included to support the Sustainable Procurement Program, which considers supply chain emissions and prioritizes low- or no-carbon solutions and works to achieve zero waste when selecting vendors and making procurement decisions, in accordance with the County's Energy Strategy. The remaining \$75,000 is included to continue a pilot program established to assess the sustainability of the Fairfax County's supply chain. It should be noted that an increase of \$94,127 in Fringe Benefits is included in Agency 89, Employee Benefits. For more information on Fringe Benefits, refer to the Agency 89, Employee Benefits, narrative in the Nondepartmental program area section of Volume 1.

Warehouse Staffing **\$281,772**
 An increase of \$281,772 and 5/5.0 FTE new positions, including \$271,772 in Personnel Services and \$10,000 in Operating Expense, is included to support the County's new 42,000 square foot facility on Morrisette Drive in Springfield to accommodate over-capacity storage, elections equipment and other warehouse needs. It should be noted that an increase of \$140,507 in Fringe Benefits is included in Agency 89, Employee Benefits. For more information on Fringe Benefits, refer to the Agency 89, Employee Benefits, narrative in the Nondepartmental program area section of Volume 1.

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Environmental Strategy **\$102,290**

An increase of \$102,290 is included to support 1/1.0 FTE new position necessary to implement the County's Zero Waste Plan included in the *FY 2021 Carryover Review*. It should be noted that an increase of \$50,033 in Fringe Benefits is included in Agency 89, Employee Benefits. For more information on Fringe Benefits, refer to the Agency 89, Employee Benefits, narrative in the Nondepartmental program area section of Volume 1.

Department of Vehicle Services Charges **\$1,706**

An increase of \$1,706 in Department of Vehicle Services Charges is based on anticipated billings for maintenance and operating-related charges

Changes to FY 2022 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2022 Revised Budget Plan since passage of the FY 2022 Adopted Budget Plan. Included are all adjustments made as part of the FY 2021 Carryover Review, FY 2022 Mid-Year Review, and all other approved changes through December 31, 2021:

Carryover Adjustments **\$1,134,477**

As part of the *FY 2021 Carryover Review*, the Board of Supervisors approved funding of \$1,236,767 including \$66,500 in Personnel Services for a one-time compensation adjustment of \$1,000 for merit employees and \$500 for non-merit employees paid in November 2021. Funding of \$77,093 was approved to support 1/1.0 FTE position associated with implementing the County's Zero Waste Plan. The remaining amount is encumbered funding of \$990,884 mainly associated with safety and other needed improvements for the Logistics Services Center and electronic solicitation implementation.

Position Reduction **\$0**

A review of positions for potential reduction was conducted as part of the *FY 2021 Carryover Review*, and 3/3.0 FTE positions were eliminated in Agency 12, Department of Procurement and Material Management, as a result of this review. Based on current budget constraints, these positions could be eliminated without adversely impacting agency operations.

Mid-Year Adjustments **\$380,200**

As part of the *FY 2022 Mid-Year Review*, the Board of Supervisors approved funding of \$380,200 to support materials and equipment associated with the opening of Unit A of the Morrissette Warehouse in FY 2022.

Cost Centers

DPMM is divided into five cost centers: Leadership and Management, Contracts, Grants and Sponsored Programs, Material Management, and Business and Technical Solutions. The Strategic Contract Development cost center has been closed and consolidated into the Contracts Division. Working together, all five cost centers provide critical services in support of the agency's mission.

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Leadership and Management

The Leadership and Management Cost Center provides strategic direction, leadership, and oversight to the department. This includes performing the function of the Chief Procurement Officer (CPO) for Fairfax County Government and Fairfax County Public Schools. The role of the CPO is to establish County procurement policies and practices, manage risk, strengthen the procurement workforce, build supplier relationships, and advance mission performance. The cost center also provides financial, budget, human resources, and management support to DPMM.

Category	FY 2021 Actual	FY 2022 Adopted	FY 2022 Revised	FY 2023 Advertised
EXPENDITURES				
Total Expenditures	\$833,126	\$812,778	\$894,278	\$1,410,856
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)				
Regular	10 / 10	10 / 10	8 / 8	8 / 8

Contracts

The Contracts Cost Center supports the procurement needs of the County by facilitating and delivering timely and efficient procurement of goods, services, technology, construction, and supplies required for County government operations. In FY 2021, the Strategic Contract Development and Administration Cost Center was consolidated into the Contracts Division. This cost center provides professional procurement, contract management support and advice to County departments, in accordance with the Fairfax County Purchasing Resolution. This cost center issues solicitations, oversees the evaluation and selection process, assists in contract negotiations, makes contract awards, and ensures contractor performance throughout the contract lifecycle. The Contracts Cost Center manages high-dollar, complex contracts, assessing liabilities and risks, reviews legal terms and financial statements, and ensures that the County has the best possible contract terms at a fair and reasonable price. In all procurement transactions, the Contracts Division follows the highest ideals of integrity and professionalism and conducts all procurement transactions with objectivity, transparency, fairness, accountability, and efficiency.

Category	FY 2021 Actual	FY 2022 Adopted	FY 2022 Revised	FY 2023 Advertised
EXPENDITURES				
Total Expenditures	\$2,080,013	\$2,894,410	\$3,003,442	\$3,056,855
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)				
Regular	28 / 28	28 / 28	26 / 26	26 / 26

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Grants and Sponsored Programs

The Grants and Sponsored Programs Cost Center supports the County's needs related to consultation, development and management of agreements relating to external funding opportunities, public assistance and social services for direct use by recipients, interdepartmental agreements, and the issuance of County grants. This cost center manages the development and execution of Federal Sub-award agreements, while ensuring compliance with federal and other pass-through requirements. The cost center develops and manages agreements for programs such as the Children's Services Act and Community Services Board. This cost center also oversees the development, issuance, management and monitoring of awards to nonprofits through the Consolidated Community Funding Pool.

Category	FY 2021 Actual	FY 2022 Adopted	FY 2022 Revised	FY 2023 Advertised
EXPENDITURES				
Total Expenditures	\$1,067,797	\$903,611	\$915,611	\$952,651
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)				
Regular	13 / 13	13 / 13	12 / 12	12 / 12

Material Management

The Material Management Logistics Center provides material management and logistical support to County agencies by storing, receiving, and distributing and redistributing County property. This cost center is the logistics and transportation provider to the Fairfax County Public Library system. The Material Management Division manages the County's excess and surplus property program ensuring best use disposition (redistribution, recycling, sale, or disposal) for all County agencies, as well as the fixed asset oversight required for accountability of capital equipment assets. The cost center has a vital logistical role in emergency response at the local, state, and regional levels. In addition, the cost center provides management, policy development, and audits of the County's consumable inventories.

Category	FY 2021 Actual	FY 2022 Adopted	FY 2022 Revised	FY 2023 Advertised
EXPENDITURES				
Total Expenditures	\$915,466	\$779,701	\$1,597,346	\$903,419
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)				
Regular	15 / 15	15 / 15	15 / 15	20 / 20

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Business and Technical Solutions

The Business and Technical Solutions Cost Center manages a variety of procurement-related programs to support internal and external customers, including suppliers and County users. The cost center staff are the procurement functional liaison to the County's Enterprise Resource Planning (ERP) system, providing a link between business requirements and system technical capabilities. Cost center staff provide technical support to ancillary procurement systems such as the contract register, contract request system, and the web-based performance reporting system; provide customer support for FOCUS users; and respond to reporting for transparency. It includes management of the County's procurement card program, office supply program, and other special programs. This cost center manages the fixed asset oversight required for accountability of capital equipment assets. Lastly, the cost center staff manage the sustainable procurement program, encompassing environmentally preferable procurement and supplier diversity efforts.

Category	FY 2021 Actual	FY 2022 Adopted	FY 2022 Revised	FY 2023 Advertised
EXPENDITURES				
Total Expenditures	\$2,272,109	\$2,239,340	\$2,733,840	\$2,295,915
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)				
Regular	10 / 10	10 / 10	13 / 13	15 / 15

Position Detail

The FY 2023 Advertised Budget Plan includes the following positions:

LEADERSHIP AND MANAGEMENT - 8 Positions			
1	Director	1	Human Resources Generalist I
2	Deputy Directors	1	Administrative Assistant IV
1	Management Analyst IV	1	Administrative Assistant III
1	Management Analyst III		
CONTRACTS - 26 Positions			
1	Contracts Division Manager	8	Contract Specialists II
4	Contract Specialist Supervisors	4	Contract Specialists I
3	Contract Analysts III	3	Assistant Contract Specialists
3	Contract Analysts II		
GRANTS AND SPONSORED PROGRAMS - 12 Positions			
1	Management Analyst IV	4	Contract Analysts III
1	Management Analyst III	6	Contract Analysts II
MATERIAL MANAGEMENT - 20 Positions			
1	Management Analyst IV	4	Material Mgmt. Specialists II [+2]
3	Management Analysts II	4	Material Management Drivers
1	Material Management Supervisor [+1]	1	Custodian II
1	Inventory Manager	1	Stock Clerk [+1]
3	Material Mgmt. Specialists III [+1]	1	Custodian I
BUSINESS AND TECHNICAL SOLUTIONS - 15 Positions			
1	Management Analyst IV	1	Network/Telecom Analyst II
4	Management Analysts III	2	Business Analysts IV [+1]
4	Management Analysts II [+1]	1	Business Analyst III
1	Management Analyst I	1	Business Analyst II
+	Denotes New Position(s)		

Performance Measurement Results

In FY 2019, DPMM adopted peer standards for calculating processing time for Invitation for Bid and Request for Proposal procurements. As such, the processing time begins when the solicitation is issued and concludes upon contract award. The FY 2019 actual for processing time became the benchmark for future progress in this important metric. The department remains committed to balancing performance targets and improving customer satisfaction, both key performance metrics. There were 5,172 contracts and agreements awarded in FY 2021, which includes over 4,000 RISE grant agreements. Sixty-seven percent of procurement contracts were awarded through a competitive procurement action using market dynamics to drive savings to the County and does not reflect those agreements awarded through non-procurement methods. This is a slight decrease due to a large number of contracts extended (vs. newly established) through the COVID-19 Pandemic. There were also a large number of emergency non-competitive contracts awarded in response to the COVID-19 Pandemic.

In FY 2021, DPMM awarded over 27 percent of procurement dollars to small, women- and minority-owned (SWaM) businesses. DPMM's outreach events provide SWaM businesses the opportunity to discuss their supply and service offerings and learn of potential procurement opportunities at the County. The annual Small Business Forum, jointly sponsored by Fairfax County and the Fairfax County Small Business Commission, is an event that joins suppliers and County buyers. Educating contracting specialists and County buyers on the small business marketplace along with frequent, meaningful engagement is critical to encouraging SWaM business participation in County procurement. In FY 2020, DPMM adjusted the anticipated percent of procurement dollars awarded to SWaM businesses to reflect a reduction in actual small business participation. Despite this adjustment, the department is investing in other strategies to mitigate the impact and to represent the County's One Fairfax initiative.

In addition to serving as a means to conducting the County's procurement transactions, the department's procurement card and office supply programs were responsible for producing over \$2.29 million in County rebates in FY 2021. Efficient and conscientious management of these programs, which are widely used by internal customers and highly regarded by external entities, are essential to the role of corporate stewardship.

The Material Management Cost Center continued its support for the Fairfax County Public Library (FCPL) system, transferring 2.42 million library books, or approximately 27 percent of the annual library circulation. The warehouse supports the library renovations through long-term storage of books. In FY 2021, Material Management achieved a peak warehouse capacity of 165 percent, a warehousing industry metric that indicates high utilization of the available space. This increase in peak warehouse capacity is related to the changes in use of the County Warehouse as a response to the COVID-19 pandemic. The warehouse began using capacity to acquire, store, and distribute personal protective equipment and cleaning supplies for the County. In FY 2021, the department began to no longer measure and report on fuel consumption. Instead, DPMM continues to focus on tracking strategic metrics that allow the department to make necessary adjustments in operations in a way that supports the departmental mission.

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Indicator	FY 2018 Actual	FY 2019 Actual	FY 2020 Estimate	FY 2020 Actual	FY 2021 Estimate	FY 2022 Estimate
Leadership and Management						
Percent of formal contractual actions awarded without valid protest	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Percent of procurement dollars awarded to small and minority businesses	42.6%	41.3%	35.0%	34.7%	35.0%	35.0%
Net surplus sales revenue – includes: online auction sales, consignment equipment and vehicle sales, direct sales, and recycling proceeds	\$1,300,124	\$1,354,614	\$1,405,000	\$1,530,252	\$1,500,000	\$1,500,000
Contracts						
Processing time in days for an Invitation for Bid (IFB)	101.0	57.0	51.0	90.3	46.0	46.0
Processing time in days for a Request for Proposal (RFP)	226.0	170.0	160.0	175.3	150.0	150.0
Percentage of contracts awarded through a competitive procurement action	90.2%	83.0%	85.0%	82.0%	85.0%	85.0%
Material Management						
Percent of consumable items accurately tracked	99%	100%	99%	100%	99%	99%
Percentage of annual library circulation transferred by DPMM	28%	31%	30%	27%	30%	30%
Peak warehouse capacity used (peak capacity used / capacity available)	90%	93%	90%	90%	90%	90%
Cost per mile ¹	\$0.50	\$0.49	\$0.00	NA	NA	NA
Business and Technical Solutions						
Percent of fixed assets accurately tracked	99%	100%	99%	100%	99%	99%
Percent of rebates achieved relative to plan	104.0%	98.0%	100.0%	106.0%	100.0%	100.0%

¹ In FY 2020, the department discontinued measuring and reporting on fuel consumption.

A complete list of performance measures can be viewed at
<https://www.fairfaxcounty.gov/budget/fy-2023-advertised-performance-measures-pm>