

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. The department's five operating cost centers - Contracts, Business and Technical Solutions, Material Management, Grants and Sponsored Programs, and Strategic Contract Development and Administration - work together with 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 1,500 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 strategy to emphasize soundness of spending.

In addition to the savings attained through competitive sourcing in FY 2019, DPMM programs produced \$3.4 million in revenue. The procurement card, office supply program, and other contract incentives generated revenue and rebates totaling \$2.02 million in FY 2019 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. In FY 2019, the web-based auction services for sale of County surplus property produced over \$1.4 million in revenue through the sale of over 6,026 items.

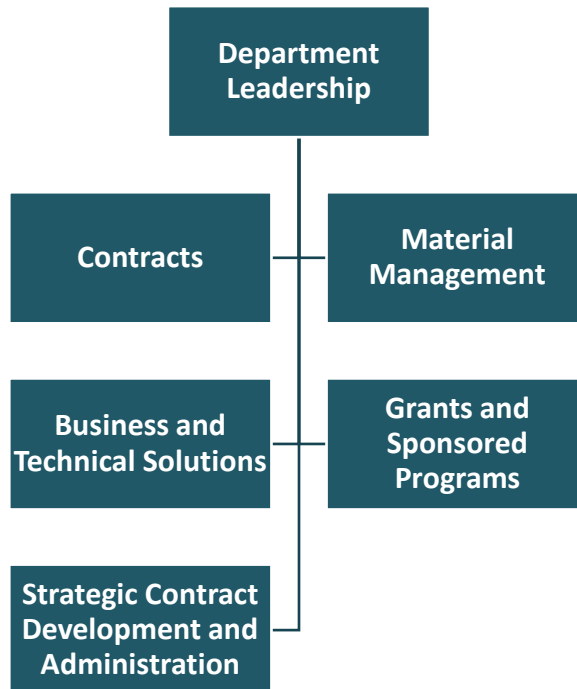
The Department of Procurement and Material Management is committed to leadership in sustainable procurement. The supplier diversity program engages with small, minority, and women-owned (SWaM) businesses through outreach and education. In FY 2019, SWaM business participation reached \$300.2 million or 41.3 percent of procurement dollars expended through the central procurement authority. The department provides support to advance the County's environmental strategy by promoting policies and practices that conserve natural resources and extend County values through the supply chain.

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 Material Management Division supports the Fairfax County Public Library system and its patrons by transferring 2.96 million books annually from one branch to another. Consumable and fixed asset property management programs ensure the County effectively controls and manages these assets. Logistical support for the Office of Elections through storage, transportation, and security of elections equipment is a year-round function. The cost center also serves as a strategic resource in County and regional emergency planning and response.

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Due to the realignment of the Department of Administration for Human Services (DAHS) in FY 2019, the development, management and administration of contracts, grants, and purchases on behalf of clients within the human services system merged with the Department of Procurement and Material Management. The work is concentrated around two business divisions, Grants and Sponsored Programs, and Strategic Contract Development and Administration. The core mission of these business divisions 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, 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 and other departments and is focused on maximizing and effectively managing contracts to sustain and grow programs as needed.

Organizational Chart



Department of Procurement and Material Management

Budget and Staff Resources

Category	FY 2019 Actual	FY 2020 Adopted	FY 2020 Revised	FY 2021 Advertised
FUNDING				
Expenditures:				
Personnel Services	\$5,352,714	\$6,006,416	\$5,984,116	\$6,303,963
Operating Expenses	2,123,070	1,758,536	2,754,153	1,758,536
Capital Equipment	8,522	0	0	0
Subtotal	\$7,484,306	\$7,764,952	\$8,738,269	\$8,062,499
Less:				
Recovered Costs	(\$288,803)	(\$288,803)	(\$288,803)	(\$288,803)
Total Expenditures	\$7,195,503	\$7,476,149	\$8,449,466	\$7,773,696
Income:				
Contract Rebates	\$2,022,444	\$2,165,423	\$2,165,423	\$2,165,423
Total Income	\$2,022,444	\$2,165,423	\$2,165,423	\$2,165,423
NET COST TO THE COUNTY	\$5,173,059	\$5,310,726	\$6,284,043	\$5,608,273
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)				
Regular	73 / 73	73 / 73	76 / 76	76 / 76

FY 2021 Funding Adjustments

The following funding adjustments from the FY 2020 Adopted Budget Plan are necessary to support the FY 2021 program:

Employee Compensation **\$204,847**

An increase of \$204,847 in Personnel Services includes \$123,732 for a 2.06 percent market rate adjustment (MRA) for all employees and \$81,115 for performance-based and longevity increases for non-uniformed merit employees, both effective July 2020.

Position Realignment **\$92,700**

As approved by the Board as part of the *FY 2019 Carryover Review*, funding of \$92,700 in Personnel Services is included to support the transfer of 2/2.0 FTE Custodian positions from Agency 08, Facilities Management Department, to better manage the surplus furniture program and deliver material management and logistical support to County agencies.

Changes to FY 2020 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2020 Revised Budget Plan since passage of the FY 2020 Adopted Budget Plan. Included are all adjustments made as part of the *FY 2019 Carryover Review*, and all other approved changes through December 31, 2019.

Carryover Adjustments **\$880,617**

As part of the *FY 2019 Carryover Review*, the Board of Supervisors approved encumbered funding of \$880,617 in Operating Expenses for office equipment and furniture, computer equipment, contract services and certifications.

Position Realignment **\$92,700**

As part of the *FY 2019 Carryover Review*, the Board of Supervisors approved the transfer of \$92,700 in Personnel Services funding and 2/2.0 FTE Custodian positions from Agency 08, Facilities Management Department, to better manage the surplus furniture program and deliver material management and logistical support to County agencies.

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Reclassification of Non-Merit Benefits Eligible Positions to Merit \$0

As part of an ongoing Board-directed review of the County's use of limited-term staffing, 1/1.0 FTE new merit position is included due to the reclassification of a non-merit benefits-eligible position to merit status. This is part of a total of 235 positions that were identified in the *FY 2019 Carryover Review* across all County agencies as candidates for possible conversion based on the tasked performed by each position and the hours worked by incumbents. No additional funding has been included as the work hours of this position are expected to remain largely unchanged.

Cost Centers

DPMM is divided into six cost centers: Leadership and Management, Contracts, Grants and Sponsored Programs, Strategic Contract Development and Administration, Material Management, and Business and Technical Solutions. Working together, all six cost centers provide critical services in support of the agency's mission.

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 2019 Actual	FY 2020 Adopted	FY 2020 Revised	FY 2021 Advertised
EXPENDITURES				
Total Expenditures	\$817,378	\$819,566	\$1,053,719	\$845,826
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)				
Regular	8 / 8	8 / 8	9 / 9	9 / 9

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. The Contracts 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 life-cycle. 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 cost center follows the highest ideals of integrity and professionalism and conducts all procurement transactions with objectivity, transparency, fairness, accountability, and efficiency.

Category	FY 2019 Actual	FY 2020 Adopted	FY 2020 Revised	FY 2021 Advertised
EXPENDITURES				
Total Expenditures	\$1,517,488	\$1,775,510	\$1,796,703	\$1,833,942
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)				
Regular	19 / 19	19 / 19	19 / 19	19 / 19

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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 non-profits through the Consolidated Community Funding Pool.

Category	FY 2019 Actual	FY 2020 Adopted	FY 2020 Revised	FY 2021 Advertised
EXPENDITURES				
Total Expenditures	\$724,667	\$894,665	\$894,665	\$925,361
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)				
Regular	10 / 10	10 / 10	10 / 10	10 / 10

Strategic Contract Development and Administration

The Strategic Contract Development and Administration cost center provides customer-informed consultation to departments in determining a strategic approach to providing contracted services. This may include market analysis and research, scope and requirements definition, and writing and executing contracts and solicitations in accordance with the Fairfax County Purchasing Resolution. This cost center also collaborates with health and human services customer agencies to provide targeted contract administration, in-depth performance monitoring, and oversight of contracted services.

Category	FY 2019 Actual	FY 2020 Adopted	FY 2020 Revised	FY 2021 Advertised
EXPENDITURES				
Total Expenditures	\$1,035,761	\$1,091,070	\$1,091,070	\$1,128,029
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)				
Regular	12 / 12	12 / 12	12 / 12	12 / 12

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Material Management

The Material Management Logistics Center provides material management and logistical support to County agencies by storing, receiving, and (re)distributing 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. 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 2019 Actual	FY 2020 Adopted	FY 2020 Revised	FY 2021 Advertised
EXPENDITURES				
Total Expenditures	\$853,908	\$678,207	\$933,692	\$796,758
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)				
Regular	12 / 12	12 / 12	15 / 15	15 / 15

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 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 2019 Actual	FY 2020 Adopted	FY 2020 Revised	FY 2021 Advertised
EXPENDITURES				
Total Expenditures	\$2,246,301	\$2,217,131	\$2,679,617	\$2,243,780
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)				
Regular	12 / 12	12 / 12	11 / 11	11 / 11

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Position Detail

The FY 2021 Advertised Budget Plan includes the following positions:

LEADERSHIP AND MANAGEMENT - 9 Positions			
1	Director	1	Human Resources Generalist I
2	Deputy Directors	1	Administrative Assistant IV
2	Management Analysts III	2	Administrative Assistants III
CONTRACTS - 19 Positions			
1	Contracts Division Manager	5	Contract Specialists I
3	Contract Specialist Supervisors	3	Assistant Contract Specialists
7	Contract Specialists II		
GRANTS AND SPONSORED PROGRAMS - 10 Positions			
1	Management Analyst IV	3	Contract Analysts III
1	Management Analyst III	5	Contract Analysts II
STRATEGIC CONTRACT DEVELOPMENT AND ADMINISTRATION - 12 Positions			
1	Management Analyst IV	8	Contract Analysts II
3	Contract Analysts III		
MATERIAL MANAGEMENT - 15 Positions			
1	Management Analyst III	1	Inventory Manager
1	Management Analyst II	4	Material Management Drivers
1	Material Management Supervisor	1	Custodian II
2	Material Mgmt. Specialists III	1	Custodian I
2	Material Mgmt. Specialists II	1	Stock Clerk
BUSINESS AND TECHNICAL SOLUTIONS - 11 Positions			
1	Management Analyst IV	1	Network/Telecom Analyst II
1	Management Analyst III	1	Business Analyst IV
4	Management Analysts II	1	Business Analyst II
1	Management Analyst I	1	Financial Specialist III

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 will become 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 266 contracts and agreements awarded in FY 2019, consistent with cyclical trends. Eighty-three percent of the contracts were awarded through a competitive procurement action using market dynamics to drive savings to the County.

In FY 2019, DPMM awarded over 41.3 percent of procurement dollars to small, minority, and women-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 jointly sponsored Fairfax County/Fairfax County Small Business Commission's annual Small Business Forum 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. DPMM has adjusted the anticipated percent of procurement dollars to be awarded to SWaM businesses to reflect a reduction in actual small business participation in FY 2020. 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 \$2.02 million in County rebates in FY 2019. 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.

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The Material Management cost center continued its support for the Fairfax County Public Library (FCPL) system, transferring 2.96 million library books, or approximately 31 percent of the annual library circulation. The warehouse supports the library renovations through long-term storage of books. In FY 2019, Material Management achieved a peak warehouse capacity of 94 percent, a warehousing industry metric that indicates high utilization of the available space. Starting in FY 2020, the department will no longer measure and report on fuel consumption. DPMM is instead focusing on tracking strategic metrics that allow the department to make necessary adjustments in operations in a way that supports the departmental mission.

Indicator	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate/Actual	FY 2020 Estimate	FY 2021 Estimate
Leadership and Management					
Percent of formal contractual actions awarded without valid protest	100.0%	100.0%	100.0%/100.0%	100.0%	100%
Percent of procurement dollars awarded to small and minority businesses	41.0%	42.6%	40.0%/41.3%	35.0%	35.0%
Net surplus sales revenue – includes: online auction sales, consignment equipment and vehicle sales, direct sales and recycling proceeds	\$1,504,941	\$1,300,124	\$1,320,750/\$1,354,614	\$1,405,000	\$1,500,000
Contracts					
Processing time in days for an Invitation for Bid (IFB)	110	101	98/57	51	46
Processing time in days for a Request for Proposal (RFP)	235	226	220/170	160	150
Percentage of contracts awarded through a competitive procurement action	82.0%	90.2%	90.0%/83.0%	85.0%	85.0%
Material Management					
Percent of consumable items accurately tracked	100.0%	99.0%	99.0%/100.0%	99.0%	99.0%
Percentage of annual library circulation transferred by DPMM	31.0%	28.0%	30.0%/31.0%	30.0%	30.0%
Peak warehouse capacity used (peak capacity used / capacity available) ¹	92.0%	90.0%	93.0%/94.0%	93.0%	93.0%
Cost per mile ²	\$0.82	\$0.50	\$0.72/\$0.49	N/A	N/A
Business and Technical Solutions					
Percent of fixed assets accurately tracked	99.0%	99.0%	99.0%/100.0%	99.0%	99.0%
Percent of rebates achieved relative to plan	107.0%	104.0%	100.0%/98.0%	100.0%	100.0%

¹The FY 2017 actual reduction in capacity is the result of a re-allocation of the warehouse floor space to accommodate new voting machines.

² Effective FY 2020, the department will no longer measure and report on fuel consumption.

A complete list of performance measures can be viewed at
<https://www.fairfaxcounty.gov/budget/fy-2021-advertised-performance-measures-pm>