

Department of Procurement and Material Management

Mission

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

Connection to the Countywide Strategic Plan

The Fairfax County Board of Supervisors adopted the first-ever Countywide Strategic Plan on October 5, 2021. The Countywide Strategic Plan serves as a road map to help guide future work, focusing on the 10 Community Outcome Areas that represent the issues of greatest importance to the community. In February of 2023, the first Annual Report on the work of the strategic plan was released to the public. The report contains point-in-time progress highlights for each of the proposed plan strategies, plus a sample data dashboard and data story that is being replicated across all of the outcome areas, and a number of additional initiatives to embed the elements of the plan within department-level work. The report also includes a Year Two Implementation Model, which focuses on identifying the specific strategies that will move forward to implementation under the guidance of the Board of Supervisors. For more information on the Countywide Strategic Plan, please visit www.fairfaxcounty.gov/strategicplan. The Department of Procurement and Material Management primarily supports the following Community Outcome Areas:



Community Outcome Area	Vision Statement
Cultural and Recreational Opportunities	<i>All residents, businesses, and visitors are aware of and able to participate in quality arts, sports, recreation and culturally enriching activities.</i>
Effective and Efficient Government	<i>All people trust that their government responsibly manages resources, is responsible to their needs, provides exceptional services and equitably represents them.</i>

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. They balance pricing, risk, terms, and conditions to establish a resilient supply chain that benefits both the County and the business community. 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.

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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 2022, DPMM programs produced \$2.3 million in revenue. The procurement card, office supply program, and other contract incentives generated revenue and rebates totaling \$1.8 million in FY 2022 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 \$1.1 million in revenue through the sale of over 1,148 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 2022, SWaM business participation reached \$262 million or 27 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 Fairfax County Public Schools Zero Waste Plan and has launched an ambitious corporate social responsibility program with County suppliers.

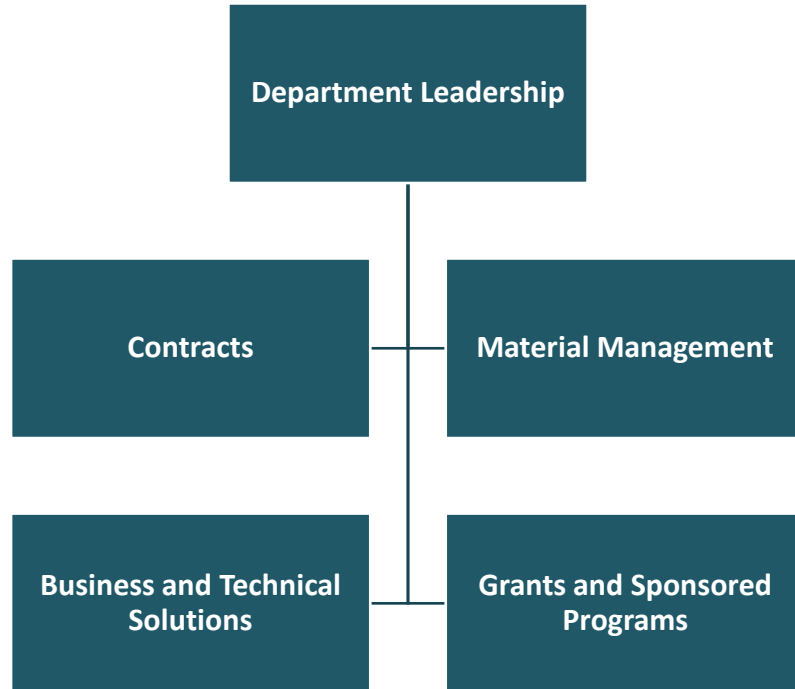
The Material Management Division delivers material management and logistical support to County agencies. The division manages the storage space at the central warehouse in a manner that is cost-effective and maximizes use of the facility. The cost center also services as a strategic resource in County 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 capacity. The Material Management Division supports the Fairfax County Public Library system and its patrons by transferring 741,000 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. 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.

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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.

Organizational Chart



Budget and Staff Resources

Category	FY 2022 Actual	FY 2023 Adopted	FY 2023 Revised	FY 2024 Advertised	FY 2024 Adopted
FUNDING					
Expenditures:					
Personnel Services	\$5,784,997	\$7,049,257	\$7,049,257	\$7,377,952	\$7,589,123
Operating Expenses	2,389,136	1,859,242	2,425,526	1,860,395	1,861,353
Capital Equipment	0	0	76,024	0	0
Subtotal	\$8,174,133	\$8,908,499	\$9,550,807	\$9,238,347	\$9,450,476
Less:					
Recovered Costs	(\$288,803)	(\$288,803)	(\$288,803)	(\$288,803)	(\$288,803)
Total Expenditures	\$7,885,330	\$8,619,696	\$9,262,004	\$8,949,544	\$9,161,673
Income:					
Contract Rebates	\$1,678,589	\$2,165,423	\$2,165,423	\$2,165,423	\$2,165,423
Total Income	\$1,678,589	\$2,165,423	\$2,165,423	\$2,165,423	\$2,165,423
NET COST TO THE COUNTY	\$6,206,741	\$6,454,273	\$7,096,581	\$6,784,121	\$6,996,250
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)					
Regular	74 / 74	81 / 81	81 / 81	81 / 81	81 / 81

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FY 2024 Funding Adjustments

The following funding adjustments from the FY 2023 Adopted Budget Plan are necessary to support the FY 2024 program. Included are all adjustments recommended by the County Executive that were approved by the Board of Supervisors, as well as any additional Board of Supervisors' actions, as approved in the adoption of the Budget on May 9, 2023.

Employee Compensation **\$571,189**

An increase of \$571,189 in Personnel Services includes \$383,478 for a 5.44 percent market rate adjustment (MRA) for all employees and \$110,074 for performance-based and longevity increases for non-uniformed merit employees, both effective July 2023. The remaining increase of \$77,637 is included to support employee retention and recruitment efforts that will reduce pay compression and align the County's pay structures with the market based on benchmark data.

Department of Vehicle Services Charges **\$2,111**

An increase of \$2,111 in Department of Vehicle Services Charges is based on anticipated billings for maintenance and operating-related charges.

Targeted Vacancy Savings **(\$31,323)**

A decrease of \$31,323 is included to recognize targeted vacancy savings. Although the County has taken actions to reduce the vacancy rate, it is anticipated that vacancies will remain high for the foreseeable future, generating flexibility in agency budgets.

Changes to FY 2023 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2023 Revised Budget Plan since passage of the FY 2023 Adopted Budget Plan. Included are all adjustments made as part of the FY 2022 Carryover Review, FY 2023 Third Quarter Review, and all other approved changes through April 30, 2023.

Carryover Adjustments **\$642,308**

As part of the FY 2022 Carryover Review, the Board of Supervisors approved encumbered carryover of \$642,308, mainly associated with software subscriptions, Zero Waste Plan support, and equipment for the new warehouse.

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 2022 Actual	FY 2023 Adopted	FY 2023 Revised	FY 2024 Advertised	FY 2024 Adopted
EXPENDITURES					
Total Expenditures	\$776,932	\$1,410,856	\$1,410,856	\$1,495,071	\$1,510,913
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)					
Regular	8 / 8	8 / 8	8 / 8	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 2022 Actual	FY 2023 Adopted	FY 2023 Revised	FY 2024 Advertised	FY 2024 Adopted
EXPENDITURES					
Total Expenditures	\$1,999,257	\$3,056,855	\$3,057,115	\$3,168,707	\$3,270,644
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)					
Regular	26 / 26	26 / 26	26 / 26	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 funding requirements. The cost center develops and manages agreements for programs such as the Children's Services Act and Fairfax-Falls Church 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 2022 Actual	FY 2023 Adopted	FY 2023 Revised	FY 2024 Advertised	FY 2024 Adopted
EXPENDITURES					
Total Expenditures	\$1,095,971	\$952,651	\$952,651	\$992,912	\$1,025,683
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)					
Regular	13 / 13	13 / 13	13 / 13	13 / 13	13 / 13

Material Management

The Material Management Logistics cost 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 2022 Actual	FY 2023 Adopted	FY 2023 Revised	FY 2024 Advertised	FY 2024 Adopted
EXPENDITURES					
Total Expenditures	\$1,474,441	\$903,419	\$1,057,965	\$946,612	\$980,512
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)					
Regular	16 / 16	21 / 21	21 / 21	21 / 21	21 / 21

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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 2022 Actual	FY 2023 Adopted	FY 2023 Revised	FY 2024 Advertised	FY 2024 Adopted
EXPENDITURES					
Total Expenditures	\$2,538,729	\$2,295,915	\$2,783,417	\$2,346,242	\$2,373,921
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)					
Regular	11 / 11	13 / 13	13 / 13	13 / 13	13 / 13

Position Detail

The FY 2024 Adopted 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
2	Management Analysts III	1	Financial Specialist I
CONTRACTS - 26 Positions			
1	Division Director	3	Contract Specialists III
3	Contract Specialist Supervisors	4	Contract Specialists I
1	Contract Analyst II	3	Assistant Contract Specialists
11	Contract Specialists II		
GRANTS AND SPONSORED PROGRAMS - 13 Positions			
1	Division Director	2	Contract Analysts III
1	Management Analyst III	6	Contract Analysts II
2	Contract Specialist Supervisors	1	Contract Specialist II
MATERIAL MANAGEMENT - 21 Positions			
1	Division Director	2	Material Mgmt. Specialists II
3	Management Analysts II	6	Material Management Drivers
2	Material Management Supervisors	1	Custodian II
1	Inventory Manager	1	Management Analyst I
3	Material Mgmt. Specialists III	1	Material Mgmt. Assistant
BUSINESS AND TECHNICAL SOLUTIONS - 13 Positions			
1	Division Director	1	Network/Telecom Analyst II
2	Management Analysts III	1	Business Analyst IV
4	Management Analysts II	1	Business Analyst III
1	Management Analyst I	1	Business Analyst II
1	Training Specialist II		

Performance Measurement Results by Community Outcome Area

Cultural and Recreational Opportunities

The Material Management cost center continued its support for the Fairfax County Public Library system, transferring 741,000 library books, or approximately 15 percent of the annual library circulation. The warehouse supports the library renovations through long-term storage of books. In FY 2022, Material Management achieved a peak warehouse capacity of 100 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 used capacity to acquire, store, and distribute personal protective equipment and cleaning supplies for the County.

Effective and Efficient Government

There were 5,172 contracts and agreements awarded in FY 2022, 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. There was a significant number of non-competitive contracts awarded in response to the COVID-19 pandemic.

In FY 2022, 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 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 \$1.67 million in County rebates in FY 2022. 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.

Community Outcome Area	FY 2020 Actual	FY 2021 Actual	FY 2022 Estimate	FY 2022 Actual	FY 2023 Estimate	FY 2024 Estimate
Cultural and Recreational Opportunities						
Access to Local Arts, Sports and Cultural Opportunities						
Percentage of annual library circulation transferred by DPMM ¹	27%	28%	30%	15%	30%	NA
Effective and Efficient Government						
Effective Technology and Quality Facilities						
Peak warehouse capacity used (peak capacity used / capacity available)	90%	90%	90%	100%	90%	90%
Percent of consumable items accurately tracked ¹	100%	99%	99%	100%	99%	NA
Percent of fixed assets accurately tracked ²	100%	99%	99%	NA	99%	99%
Percent of rebates achieved relative to plan	106.0%	100.0%	100.0%	93.0%	100.0%	100.0%

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Community Outcome Area	FY 2020 Actual	FY 2021 Actual	FY 2022 Estimate	FY 2022 Actual	FY 2023 Estimate	FY 2024 Estimate
Customer Satisfaction with County Services						
Percent of formal contractual actions awarded without valid protest	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Processing time in days for an Invitation for Bid (IFB) ^{1,2}	90.3	NA	46.0	NA	46.0	NA
Processing time in days for a Request for Proposal (RFP) ^{1,2}	175.3	NA	150.0	NA	150.0	NA
Inclusive Community Engagement						
Percentage of contracts awarded through a competitive procurement action	82.0%	67.0%	85.0%	83.0%	85.0%	77.0%
Percent of procurement dollars awarded to small and minority businesses	34.7%	27.0%	35.0%	27.0%	35.0%	35.0%
Financial Sustainability and Trustworthiness						
Net surplus sales revenue – includes: online auction sales, consignment equipment and vehicle sales, direct sales, and recycling proceeds	\$1,530,252	\$1,519,811	\$1,500,000	\$1,178,374	\$1,500,000	\$1,500,000

¹ The FY 2024 Estimate is due to DPMM reevaluating this performance metric to determine more effective and efficient metrics to aid future decisions.

² The FY 2022 Actual is due to DPMM being unable to obtain this information due to employee turnover at the time.

A complete list of performance measures can be viewed at
<https://www.fairfaxcounty.gov/budget/fy-2024-adopted-performance-measures-pm>