




OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich  
County Executive

M E M O R A N D U M

September 30, 2024

TO: Andrew Friedson, President  
Montgomery County Council

FROM: Marc Elrich, County Executive 

SUBJECT: FY24 Annual Report: Local Business Programs

In accordance with §11B-69 of the Montgomery County Code, I am pleased to attach the annual activity report for the Local Business Programs including the Local Business Preference Program (LBPP), Local Business Sub-Contracting Program (LBSP), and eligible LSBRP Direct Purchase Orders (DPOs) for FY24.

In FY24, 78 formal solicitations were subject to the LBPP, which represented 59% of all formal solicitations that were issued.

In FY24, under the LBSP, certified local businesses were awarded \$17 million out of the 10 contract awards subject to LBSP.

Finally, in FY24, total LSBRP eligible Direct Purchase Orders (DPOs) was \$3,593,113.86, and 38%, or \$1,380,045.37, were spent towards Montgomery County based businesses.

Annual reports are posted on the Office of Procurement's website which may serve as useful references: <http://www.montgomerycountymd.gov/PRO/Reports.html>.

Enclosures

cc: Richard Madaleno, Chief Administrative Officer  
Ash Shetty, Director, Office of Procurement  
Grace Denno, Division Chief, Office of Procurement

# Local Business Programs

## FY24 Annual Report



## Executive Summary

This report summarizes the FY24 performance of three Montgomery County Local Business Programs.

In FY24, 78 formal solicitations were subject to the Local Business Preference Program (LBPP), which represented 59% of all 131 formal solicitations that were issued. **26** local offerors had been applied with the local preference point/pricing.

Additionally, under the Local Business Subcontracting Program (LBSP), certified local businesses were awarded **\$17,035,716.72**, out of the 10 contract awards that are subject to the LBSP in FY24.

Finally, in FY24, total LSBRP eligible Direct Purchase Orders (DPOs) was **\$3,593,113.86\***, and 38%, or **\$1,380,045.37**, were spent towards Montgomery County based businesses.

\*Excluding “999” and “444” commodity codes such as Real Properties, Utilities, Insurance Liability, Debt Services, Claims, Fees, etc.

## Background

The following County legislation and regulations provide the framework and guidance for implementation of these programs:

1. County Executive Regulation #6-15 (March 23, 2016) -- Revised procurement regulations.
2. Local Business Subcontracting Bill #61-14 (May 17, 2016) – Established the Local Business Subcontracting Program.
3. Council Bill 39-19, LSBRP Amendments, was enacted on June 1, 2020. – Set an 50% goal for county departments to award their direct purchases to local small businesses.
4. Local Business Preference Bill #25-19E (June 23, 2020) – Established the Local Business Preference Program.

## Eligibility Requirements

Local Business Preference Program (LBPP)

<https://montgomerycountymd.gov/PRO/DBRC/local-business-preference.html>

Local Business Subcontracting Program (LBSP)

<https://montgomerycountymd.gov/PRO/DBRC/local-business-subcontracting.html>

## Local Business Preference Program (LBPP)

The Local Business Preference Program (LBPP) is intended to bolster the County’s economic growth and support the creation and retention of employment opportunities within the County. LBPP gives an extra 10% preference points on proposals or a 10% price preference on bids to Montgomery County-based businesses.

In FY24, a total of 131 formal solicitations were issued, of which 78 were subject to the Local Business Preference Program (LBPP). Out of these formal solicitations, 26 solicitations (33.3%) received offers from local businesses. Out of these, 19 contracts were awarded to local businesses, and 5 contracts are pending contract awards. In FY25, the Office of Procurement’s Division of Business Relations and Compliance (DBRC) will focus on recruiting more Local Business-certified firms and enhance their participation in County procurements.

**Table 1: Local Business Preference Program Contract Award List:**

Sol #	Contract Description	# of Offerors	# Local Offerors	LB awarded?
1167809	Entry Level Exam Services for Firefighter/Rescuer I (Recruit)	4	0	No
1126909	State Health Insurance Assistance Program	1	0	No
1164372	Multi-Agency Custom Tailored Uniforms, Off the Shelf Uniforms, Accessories and Footwear.	1	0	No
1168644	Traffic Sign Sheeting	2	0	No
1167479	Multi-Agency Janitorial Supplies	20	0	No
1162559	Property and Casualty Insurance Broker Services	5	0	No
1163484	Software and Implementation Services for a Permitting, Licensing, and Land-Use Software Systems Environment	13	1	Not yet awarded
1163450	Carbon Dioxide for Swimming Pools	1	0	No
1166439	Recycling Pilot Program: Single-Family Residential Food Scraps Collection	1	1	Yes
1168557	Repair and Maintenance Services for Heavy/Medium Duty Trucks and Miscellaneous Light Vehicles and Equipment	4	0	No
1166595	Health Promoters Outreach, Engagement, and Education	4	2	Not yet awarded
1162111	Replacement of Circuit Court Conference Room Communication and Jury Information Display System	3	0	No
1162851	Arbitration, Labor, and Economic Consulting Services in Support of Collective and Non-Collective Bargaining Activities	1	0	No
1154322	Towing, Transport and Recovery of Fire and Rescue Apparatus and Like Vehicles	3	0	No
1136306	Claims Administration Services	2	0	No
1140443	Real Estate Advisory Services	2	1	No

1164507	MCFRS Vehicle Inspection, Maintenance and Repair Services and Parts And/Or Fire Apparatus Body Work	6	0	No
1168181	Fitness Equipment Maintenance, Inspection and Repair Services	6	1	No
1167155	Safety Net Case Management	6	1	Not yet awarded
1165742	Parker Hydraulic Hoses and Fittings	3	0	No
1163355	Automotive Vehicle Maintenance Service	3	0	No
1152597	Structural Steel: Bridge Planks & Miscellaneous Metals	2	0	No
1164453	Community Based Pre-Kindergarten Services	1	0	No
1167483	KIDS SPOT Waiting Room Child Supervision Room	2	1	Yes
1163771	Publication of Code, Zoning Ordinance, COMCOR and County Attorney Opinions	1	0	No
1164639	Down County High School Wellness Centers	3	2	Yes
1162533	Embedded Nurses and Social Workers for the Infants & Toddler Program	4	1	Yes
1166216	Construction Services for Kennedy Shriver Aquatic Center Building Improvements	2	1	Yes
1160522	Bridge Preservation County Wide XI Project (CIP #500313)	1	0	No
1153982	Home Based Services	1	0	No
1154699	Radioactive Waste Disposal from the Transfer Station	1	0	No
1160855	Outpatient Mental Health Services for Persons who are Deaf or Hard of Hearing	1	1	Yes
1162498	Timetable Distribution by Persons with Developmental Disabilities	1	0	No
1154260	Care Coordination Services	3	0	No
1162999	Stop, Triage, Engage, Educate and Rehabilitate (STEER) Response Team	2	1	Not yet awarded
1125855	Latino Youth Wellness Program	4	1	Yes
1154697	Compressed Gas Cylinder Recycling	1	0	No
1162432	Legal Research Services (Online and Publication)	2	0	No
1163807	Case Management for Latino Residents	2	1	Yes
1164119	Residential Roadway Resurfacing	3	2	Yes
1158527	Sample Ballot Printing and Distribution	2	0	No
1151059	X-Ray Reading and Interpretation Services	1	0	No
1153675	Employment and Related Services	5	0	No
1159089	Dental Plan Benefits and Administration	5	0	No
1159091	Vision Benefits and Hearing Aids Discount Plans, and Administration	4	0	No
1164762	Leaf Blower Incentive Program	1	0	No
1161647	HVAC MERV-13 Air Filters	11	0	No
1157486	Elections Warehouse Supplies	3	0	No
1163476	Employment and Training	5	0	No

1138406	Post Adoption Services	2	1	Yes
1113505	Home Care Services	12	2	Yes
1153357	Youth Opportunity Center Program	2	2	Yes
1164244	Community Engagement and Land Planning for Jeremiah Park	6	0	No
1164733	Inflatable Projection Screen Audio/Video System	2	0	No
1155108	Security Guard Services	10	3	Yes
1141173	Residential Permit Parking System	7	0	No
1155568	MCFRS Vehicle Manufacturing and Refurbishment	5	0	No
1154986	Montgomery County, Maryland Cost of Quality Childcare Study	2	0	No
1142138	Hot Mix Asphalt, Bituminous Concrete Plant Pick-Up	4	1	Yes
1155109	Parking Management Services	4	1	No
1156861	Liquor Store Paper Bags	2	0	No
1147508	Merchant Card Services	9	1	Not yet awarded
1159067	Gym Wipes	22	0	No
1155802	Furnish & Install Traffic Signs	1	0	No
1150042	Residential Refuse, Recyclable Materials, Yard Trim, and Scrap Metal - Area 8	1	0	No
1150041	Residential Refuse, Recyclable Materials, Yard Trim, and Scrap Metal - Area 6	1	0	No
1137891	Utility Management Software and Services	6	1	No
1156052	Towing, Transport, and Recovery of Fixed Route Transit Buses, Heavy Duty Trucks, and Construction Equipment	4	0	No
1152079	Event Equipment Rental	5	0	No
1155442	Audio, Lighting, Sound, Backline and Production Services for Special Events	2	1	Yes
1136850	Insurance Broker Services	1	0	No
1149776	Independent Financial Advisory Services	7	0	No
1154882	Food & Grocery Services	2	0	No
1140534	Application of Slurry Seal, Crack Sealant, and Asphalt Mix Products	3	1	Yes
1154768	Onsite Physician Services	2	0	No
1153634	Life Insurance and Long-Term Disability Insurance Services	8	0	No
1151688	Construction Services for On-Call Bridge, Culvert and Retaining Wall Repair	4	1	Yes
1152685	Time & Material Glass Installation and Repair Services	1	0	No



## Local Business Subcontracting Program (LBSP)

To increase the participation of local businesses in certain large County procurement contracts, the County established a subcontracting goal for local businesses in procurement contracts with an estimated value to exceed \$10 million.

Local Business subcontracting goals are as follows:

1. at least 10% of the contract dollars awarded for each high dollar value contract should be awarded to a local business; and
2. at least 10% of the total dollar value of all high dollar value contracts in the aggregate should be awarded to local businesses.

A high dollar value contract means an initial contract award that is estimated to exceed \$10 million. To qualify, the business must have its principal place of business in Montgomery County.

In FY24, a total of 10 solicitations were subject to the Local Business Subcontracting Program, with a total contract value of \$289,034,032. Of these, four contracts received full waivers, while six contracts reported participation in the Local Business Subcontracting initiative. Local Subcontracting Businesses received a total of **\$17,035,716**, which represents 5.8% of the total awarded amount.

**Table 2: Contract Participation on LBSP**

<b>Contract No.</b>	<b>Contract Description</b>	<b>Contract Value</b>	<b>Participation</b>
1162533	Embedded Nurses and Social Workers for the Infants & Toddler Program	\$14,457,167.20	10%
1166216	Construction Services for Kennedy Shriver Aquatic Center Building Improvements	\$36,000,000.00	10%
1163355	Automotive Vehicle Maintenance Service	\$60,000,000.00	13%
1155108	Security Guard Services	\$11,500,000.00	10%
1129510	Montgomery County Device Client Management (DCM) Services	\$64,000,000.00	2%
1164119	Residential Roadway Resurfacing	\$17,600,000.00	10%

**Table 3: Contracts that received full waivers from the LBSP**

<b>Contract No.</b>	<b>Contract Description</b>	<b>Contract Value</b>	<b>Participation</b>
1143252	Underground Stormwater Facility Maintenance and Repair Services	\$10,500,000	Full waiver
1153634	Life Insurance	\$22,476,865	Full waiver
1150041	Residential Refuse, Recyclable Materials, Yard Trim, and Scrap Metal - Area 6	\$26,600,000	Full waiver
1150042	Residential Refuse, Recyclable Materials, Yard Trim, and Scrap Metal - Area 8	\$25,900,000	Full waiver

## Local Small Business Reserve Program – DPO spending

Council Bill 39-19, LSBRP Amendments, was enacted on June 1, 2020. Among other general amendments, the bill amended the LSBRP as follows:

- (1) Subject to Method 2 regulations, a using department’s procurement procedures must award a minimum of 25 percent of the using department’s combined dollar value of contracts issued for goods, services, or construction, including direct purchases, to local small businesses.
- (2) A using department must have a goal to award at least 50 percent of the combined dollar value of its direct purchases to local small businesses.

Direct Purchase Orders (DPO) are an informal procurement of goods, services, or construction that is accomplished under the direct authority of the using department head and not by the Procurement Director. Competition should be preserved with this method to the extent practical. Contracting with Local, Small, and MFD firms is encouraged. The current DPO threshold is \$10,000.

In FY24, total LSBRP eligible DPOs was **\$3,593,113.86\***, and 38% of which, or **\$1,380,045.37**, were spent towards Montgomery County based businesses.

\*Excluding “999” and “444” commodity codes such as Real Properties, Utilities, Insurance Liability, Debt Services, Claims, Fees, etc.

**Table 4: Departments that spent more than 50% of their DPOs with County-based businesses in FY24:**

Departments	Total Eligible DPOs	DPOs with County-based vendors	Local %
Permitting Services	\$ 10,099.00	\$ 10,099.00	100%
Public Information	\$ 690.00	\$ 690.00	100%
Board of Elections	\$ 35,968.00	\$ 32,218.00	90%
Community Use of Public Facilities	\$ 11,550.90	\$ 9,350.90	81%
Legislative Oversight	\$ 16,860.00	\$ 12,836.00	76%
Finance	\$ 8,709.63	\$ 6,400.00	73%
Management and Budget	\$ 6,240.00	\$ 4,240.00	68%
Community Engagement Cluster	\$ 141,836.07	\$ 90,539.66	64%
Alcohol Beverage Services	\$ 131,259.81	\$ 83,098.27	63%
County Executive	\$ 37,263.50	\$ 23,349.50	63%
County Council	\$ 263,162.99	\$ 164,628.52	63%
Office of Procurement	\$ 12,601.51	\$ 7,326.51	58%
Circuit Court	\$ 12,691.70	\$ 7,124.90	56%