



FY25 ANNUAL REPORT

Local Small Business Reserve Program (LSBRP)



Montgomery County Office of
Procurement

www.montgomerycountymd.gov/pro

Message from the Director



The Montgomery County Local Small Business Reserve Program (LSBRP) continues to be a valuable procurement vehicle for Montgomery County-based small businesses, providing them with opportunities to compete for the County's contracting dollars. In FY25, the Office of Procurement collaborated with numerous business organizations and local small vendors, achieving \$133 million, and a record high of 33.7% of eligible spending towards Montgomery County-based small businesses. In FY25, under the LSBRP, the Office of Procurement launched a Veteran-Owned Business Preference Program (VBPP). Certified, county-based veteran-owned businesses will receive additional evaluation points worth 5% of the total points available for proposals submitted under the LSBRP.

Montgomery County is proud to be home to so many local small businesses who contribute to the well-being of our community and the region; many of them are also federal contractors impacted by recent changes in federal grants and contracting policies. In March 2025, the Office of Procurement hosted a "Montgomery County is OPEN for Business" event, helping county-based federal contractors to explore business opportunities with local government. We recognize that these businesses are facing real challenges, and we want to be part of the solution. By helping them learn how to do business with the County, we will provide opportunities for them to diversify their revenue streams and continue providing good jobs and valuable services in the County.

We look forward to continuing to strengthen connections between the business community and County departments to support the growth of County contracting activity with local small businesses.

Ash Shetty
Chief Procurement Officer
Director, Office of Procurement

Executive Summary

FY25 was a successful year for the local business programs administered by the Montgomery County Office of Procurement. The three local business programs are the Local Small Business Reserve Program (LSBRP), the Local Business Preference Program (LBPP), and the Local Business Subcontractor Program (LBSP). This report focuses on the LSBRP.

The County spent **\$133** million with local small businesses in FY25. This amount includes \$22.97 million (**33.7%**) through LSBRP-advertised solicitations and awards, and \$109.96 million that was exempted from LSBRP but still awarded to local small businesses.

In addition, total LSBRP eligible Direct Purchase Orders (DPOs) was **\$2,288,021¹**; 28% of which, or **\$636,936**, was spent towards Montgomery County-based businesses.

Background

The accomplishments outlined in this report result from several initiatives to stimulate economic growth through local contracting. In FY2009, a partial governmental reorganization was implemented, creating the Department of General Services and the Office of Business Relations and Compliance (within in the Office of Procurement). The County Executive and County Council also enacted new legislation and Executive Regulations to expand the County’s ability to contract with local businesses:

1. Expedited Bill #23-15 (January 1, 2016) – Amended LSBRP eligibility criteria for small businesses in the service sector.
2. Local Small Business Program Amendment Bill #39-19 – (March 2, 2020) – Increased the LSBRP goal from 20% to 25% of eligible procurement actions.

Marketing and Outreach

Throughout the year, the Office of Procurement organized targeted outreach events that attracted vendors from all disciplines and sectors of the business community. The objective of these events was to invite local, small and minority vendors to participate in the County’s procurement process. Government agencies and business organizations that have an interest in the County’s socioeconomic business programs were among the key participants. These popular events were well attended and provided opportunities to local and minority vendors to better understand County contracting procedures and opportunities, as well as County policies related to local, small and minority vendors.

¹ Excluding “999” and “444” commodity codes such as Real Properties, Utilities, Insurance Liability, Debt Services, Claims, Fees, etc.

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In FY25, the Office of Procurement hosted or participated in a total of 47 events, including 12 monthly Online Open Houses and three signature, in-person annual events that were held in the Fall and Spring. (Bolded are events hosted or co-hosted by the Office of Procurement)

July 17	Online Open House: How to do Business with the Purple Line
July 18	Minority Outreach Fair
Aug. 21	Online Open House: General Session
Sept. 18	Online Open House: CVRS New Vendor Registration System
Sept. 26	Procurement Fair
Oct. 3	MBCC GovCon Academy
Oct. 10	ChallengHER Contract Connections Event
Oct. 16	Online Open House: What to Consider When Responding to an IFB?
Oct. 18	Asian American Chamber Business Expo
Oct. 29	How to do Business with Montgomery County
Nov. 14	Disparity Study Results Public Meeting
Nov. 19	Access to Capital
Nov. 20	Online Open House: General Session
Dec. 5	Disparity Study Results Public Meeting
Dec. 8	Community Resource Fair
Dec. 10	Ready, Set, GROW Procurement Connections Workshop
Dec. 12	Minority Outreach Fair
Dec. 18	Online Open House: General Session
Jan. 15	Online Open House: Veteran Business Preference Program
Jan. 23	WSSC Tap Into Business Event
Feb. 14	GOSBA SBR and Veteran Certification Training
Feb. 19	Online Open House: PROjections Upcoming Solicitations
Feb. 19	MBCC Leadership Academy Event
Feb. 26	Ft. Myer Business Roundtable
Mar. 6	EmpowerHER Summit
Mar. 7	Maryland Contractor Summit
Mar. 19	Online Open House: General Session
Mar. 24	Government Contracting Event
Mar. 26	MCCC Business EXELerator Meeting
Mar. 27	MBCC & Procurement Event Series: MDOT Certification

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Mar.31	Montgomery County is OPEN for Business Event
Apr. 2	Procurement Forum
Apr. 3	MBCC & Procurement Event Series: Procurement 101
Apr. 10	MBCC & Procurement Event Series: Local Procurement Offices
Apr. 11	AMBER Program Information Session
Apr. 16	Annual Government Procurement Conference
Apr. 22	GovCon Academy
Apr. 23	Access to Capital
Apr. 24	CRMSDC Annual Breakfast
Apr. 30	African American Chamber MDOT Certification Workshop
May 8	Vendor Connection Summit
May 20	Navigating Change with Confidence and Adaptability
May 21	Online Open House: Small Business Loans/Grants/Access to Capital
May 28	Prevailing Wage Law Webinar
June 10	Black Business Expo
June 13	Hispanic Chamber Event

FY23 – FY25 LSBRP Comparative Program Measures

Table 1: Three Year Comparison of Spending with Local Small Businesses

Procurement Awards, FY23-FY25						
	FY23		FY24		FY25	
	\$	%	\$	%	\$	%
Total Procurement Dollars	\$1,924,489,405		\$ 1,102,403,317		\$1,090,039,874	
Encumbered \$ to Eligible LSBRP²	\$55,880,467	31.5%	\$9,701,488	32.23%	\$22,974,483	33.7%
Exempted but awarded to certified Local Small Businesses (LSB)	\$249,200,072		\$120,893,996		\$109,960,391	
Total encumbered \$ to certified Local Small Businesses (LSB)³	\$305,080,539		\$130,595,485		\$132,943,867	

² Spend with Local Small Businesses under the LSBRP Program is calculated as dollars encumbered to Local Small Businesses as a proportion of LSBRP eligible spend $\$22,974,483 / \$68,197,813 = 33.7\%$

³ Total dollars to local small businesses $(\$22,974,483 + \$109,960,391 = \$132,943,867)$

Table 2: Three Year Comparison of LSBRP Exemptions (in million \$)

Exemption Category	FY23		FY24		FY25	
	\$	%	\$	%	\$	%
Chief Administrative Officer waiver	\$0	0%	\$0	0%	\$0	0%
Conflicts with law or grant	\$51.89	3.47%	\$20.22	2.08%	\$0	0%
Public Entity or emergency procurement	\$103.84	6.94%	\$3.22	0.33%	\$0.81	0.09%
Non-competitive contract	\$131.09	8.76%	\$36.25	3.73%	\$17.11	1.88%
Pre-existing contract	\$853.76	57.04%	\$587.58	60.47%	\$670.41	73.51%
Procurement exceeds \$10 million	\$328.64	21.96%	\$309.67	31.87%	\$212.23	23.27%
No LSBRP vendor deemed qualified	\$27.64	1.85%	\$14.69	1.51%	\$11.40	1.25%
Total procurement exempted from LSBRP	\$1496.86	100%	\$971.63	100%	\$911.96	100%

LSBRP Major Awards Summary

Table 3: FY25 Major Contracts Awarded to LSBRP (over \$100,000 / sorted by \$ amount)

DEPT	Vendor	Description	Amount
DOT	O'Connell & Lawrence, Inc.	Public Works Support Services	\$5,000,000
DOT	Network Engineering & Resources Development Specialists LLC	Web Services, Administration and Networking Services	\$3,531,660
DEP	Empire Landscape LLC	Vegetated Stormwater BMP Maintenance	\$2,010,000
DHCA	Efficient Home LLC	Efficient Electric Appliance Installation Services (EEAIS)	\$614,010
DEP	Empire Landscape LLC	Invasive Species Vegetation Management	\$360,000
REC	Personalized Classics	Screen Printed Apparel	\$300,000
REC	Infinite Design Studio LLC	Screen Printed Apparel	\$300,000
FRS	Continental Restaurant Equipment Corp	Commercial Appliance – Maintenance, Replacement, Repair & Inspection	\$225,000
HHS	School Readiness Consulting LLC	Early Care and Education Workforce and Compensation Study	\$224,981
REC	Amato Industries, Inc.	Dry Chemicals for Swimming Pools	\$180,000
DHCS	Elite Business Solutions, Inc.	Residential Landscaping, Board-up and Solid Waste Removal Services for the Clean & Lien Program	\$100,000

LSBRP Awards by Department

Table 4: LSBRP Spending by County Department / Office

Department	LSBRP spending	% of Eligible \$
Board of Investment Trustees	\$3,151,521	27
Circuit Court	\$77,160	38
Community Engagement Cluster	\$650,157	98
Community Use of Public Facilities	\$228,492	100
Department of Correction and Rehabilitation	\$294,755	25
County Council	\$40,000	31
Office of the County Attorney	\$503,201	76
Department of Emergency Management and Homeland Security	\$406,677	58
Department of Environmental Protection	\$10,912,465	98
Department of Finance	\$51,619	100
Department of Fire & Rescue Services	\$3,905,666	80
Department of General Services	\$31,304,482	90
Department of Health & Human Services	\$27,389,784	66
Department of Housing & Community Affairs	\$1,109,207	51
Office of Human Resources	\$72,243	45
Department of Alcohol and Beverage Services	\$2,632,499	100
Department of Permitting Services	\$328,000	47
Department of Police	\$2,390,381	57
Office of Procurement	\$114,552	60
Department of Public Libraries	\$370,770	63
Department of Recreation	\$1,553,445	67
Sheriff's Office	\$237,454	79
Department of Technology and Enterprise Business Solutions	\$9,612,399	81
Department of Transportation	\$35,248,650	80

Table 5: Number of Departments Meeting the 25% Goal

	FY22	FY23	FY24	FY25
# of Departments that met the requirement	22	21	24	24
# of Departments that did not meet the requirement	1	2	0	0
Total	23	23	24	24

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 is 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 FY25, total LSBRP eligible DPOs were \$2,288,021.53⁴; Of these eligible DPOs, 28% or \$636,936.15, was spent towards Montgomery County based businesses.

Table 6: Departments that Spent more than 50% of DPOs with County-based Businesses

Departments	All Vendors	Montgomery County Vendors Only	MC Vendor %
Finance	\$6,400	\$6,400	100%
Racial Equity and Social Justice	\$22,399	\$22,399	100%
Public Information	\$810	\$810	100%
Environmental Protection	\$14,456	\$10,956	76%
Community Engagement Cluster	\$319,642	\$172,515	54%

⁴ Excluding “999” and “444” commodity codes such as Real Properties, Utilities, Insurance Liability, Debt Services, Claims, Fees, etc.