Resolution No.: 17-331
Introduced: December 13, 2011
Adopted: January 31, 2012

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive

SUBJECT: Supplemental Appropriation #12-329 to the FY12 Operating Budget
Montgomery County Government
BioHealth Innovation Inc., $250,000

Background

1. Section 307 of the Montgomery County Charter provides that any supplemental appropriation shall be recommended by the County Executive, who shall specify the source of funds to finance it. The Council shall hold a public hearing on each proposed supplemental appropriation after at least one week's notice. A supplemental appropriation that would comply with, avail the County of, or put into effect a grant or a Federal, State or County law or regulation, or one that is approved after January 1 of any fiscal year, requires an affirmative vote of five Councilmembers. A supplemental appropriation for any other purpose that is approved before January 1 of any fiscal year requires an affirmative vote of six Councilmembers. The Council may, in a single action, approve more than one supplemental appropriation. The Executive may disapprove or reduce a supplemental appropriation, and the Council may reapprove the appropriation, as if it were an item in the annual budget.

2. Section 11B-14(a)(4) of the Montgomery County Code states that a contract may be awarded without competition if the Chief Administrative Officer makes a written determination that the contract award serves a public purpose and a proposed contractor has been identified in a grant or appropriation resolution approved by the Council.

3. The County Executive has requested the following FY12 Operating Budget appropriation increase for the Department of Economic Development:

Personnel Services	Operating Expenses	Capital Outlay	Total	Source of Funds
$0	$250,000	$0	$250,000	General fund Undesignated Reserve

The increase is needed at this time because BioHealth Innovation Inc. (BHI), a new 501(c)(3) private-public partnership, is being established with full partnership support and capital contributions from the key industry stakeholders. The formation of BHI is the culmination of the County's and the biotechnology industry's two-year effort to harness the 2009 recommendations of the County's BioTask Force to further the growth of the County's life sciences industry.

The County's initial investment is seed funding that will eventually draw a larger private funding support from the private and academic partners. The operating budget of the BHI has been proposed and agreed to by the founding member organizations at $1.5 million per year for the next three years. The composition and the amount of contributions from the key partners are as follows:

- Montgomery County: an equivalent of $500,000 a year for three years, with $250,000 for FY12, $500,000 for FY13, $500,000 for FY14, and $250,000 for FY15.
- Academic institutions and foundations: $500,000 a year for three years.
    - University System of Maryland, $125,000
    - Johns Hopkins University, $125,000
    - Other plans in place to seek foundation and grant funding by BHI leadership
- Private sector: $500,000 a year for three years (current commitment is $525,000).
    - MedImmune, $250,000
    - Human Genome Sciences, $125,000
    - Adventist Healthcare, $125,000
    - Qiagen, $25,000

The County Executive recommends a supplemental appropriation to the FY12 Operating Budget in the amount of $250,000 for BioHealth Innovation Inc. and specifies that the source of funds will be General Fund Undesignated Reserves. These supplemental funds will be used to fund a non-competitive contract with BHI.

4. The Chief Administrative Officer has determined that funding a non-competitive contract with this entity serves a public purpose and that such an expense is in the public interest.

5. The Department of Economic Development will develop a new contract with BioHealth Innovation Inc. for provision of services as stated in the amended FY12 Designation of Entities for Non-Competitive Contract Award.

6. Notice of public hearing was given, and a public hearing was held January 17, 2012.

Action

The County Council for Montgomery County, Maryland, approves the following action:

A supplemental appropriation to the FY12 Operating Budget of the Department of Economic Development is approved as follows:

Personnel Services	Operating Expenses	Capital Outlay	Total	Source of Funds
$0	$250,000	$0	$250,000	General Fund Undesignated Reserve

The Department of Economic Development must administer this appropriation and assure that it is used by BioHealth Innovation Inc. (BHI) to advance the local economy by capitalizing on the region's unmatched research strengths and assist with the growth of the bio-health cluster industry in Montgomery County to its maximum potential.

The Council approves an amendment to Resolution 17-149, Section G, Designation of Entities for Non-Competitive Contract Award. The Chief Administrative Officer has stated that this non-competitive contract serves a public purpose and is in the public interest.

This is a correct copy of Council action.

Linda M. Lauer

Linda M. Lauer, Clerk of the Council