



Larry Hogan | Governor  
Boyd Rutherford | Lt. Governor  
R. Michael Gill | Secretary of Commerce  
Benjamin H. Wu | Deputy Secretary of Commerce

January 5, 2016

The Honorable Thomas V. Mike Miller, Jr.  
President  
Maryland Senate  
State House, H-107  
Annapolis, Maryland 21401-1991

The Honorable Michael E. Busch  
Speaker  
Maryland House of Delegates  
State House, H-101  
Annapolis, Maryland 21401-1991

**Re: Blue Ribbon Commission – Progress Report**

Dear President Miller and Speaker Busch,

This letter serves as an interim report on the activities of the One Maryland Blue Ribbon Commission (Commission). Chapter 191, Acts of 2015 established the Commission to review challenges faced by Maryland businesses who have used the State's procurement system. From this work a comprehensive report with specific policy recommendations will be completed outlining ways to ensure greater transparency and encourage greater participation by these businesses toward obtaining State contracts.


Action Items Completed

- Initial Meeting – The first Commission meeting was held in Annapolis on Tuesday, November 10, 2015. Senator Justin Ready chaired the meeting with 14 members attending. Since this initial meeting was organizational in nature, members used the time to introduce themselves and discussed the following: 1) Commission goals and objectives, 2) proposed work activities and timeline and 3) two proposed procurement surveys. In addition to these discussion items, members received an overview of Maryland's current procurement methods and practices.
- Survey – The purpose and intent of the surveys are to solicit responses from Maryland businesses and procurement administrators across the State to evaluate the procurement system. The survey was developed by research staff at the Department of Commerce and Commission members reviewed and finalized the survey in early December 2015. The final surveys were emailed to all businesses registered with the eMaryland Marketplace as well as to procurement directors in 15 State agencies which varied in size and contracting practice. Completed surveys are due back to Commission staff by January 8, 2016. As of this writing, 566 businesses and 3 procurement administrators have responded.

Revised Timeline for Commission Activities

- Monday, February 15, 2016 3:00 p.m. to 5:00 p.m. – Meeting #2 – “Discuss summary of survey responses and Commission report implications”
- Friday, March 25, 2016 3:00 p.m. to 5:00 p.m. – Meeting #3 – “Discuss first draft of Blue Ribbon report”
- Monday, April 25, 2016 10:00 a.m. to 12:00 p.m. – Meeting #4 – “Input on final draft of Blue Ribbon Report”
- Wednesday, May 25, 2016 – Final report completed and submitted to the Commission Chairman for submittal to the Governor and General Assembly

Sincerely,

A handwritten signature in black ink that reads "Justin Ready". The signature is written in a cursive style with a large initial "J" and a long, sweeping underline.

The Honorable Justin Ready  
Chairman  
One Maryland Blue Ribbon Commission

Enclosure

cc: Members, One Maryland Blue Ribbon Commission  
Secretary Mike Gill

The Honorable Thomas V. Mike Miller, Jr.  
The Honorable Michael E. Busch  
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Bcc: Chris Carroll  
Vicki Gruber  
Alexandra Hughes  
Rhonda J. Ray  
Robert Ward





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## **ONE MARYLAND BLUE RIBBON COMMISSION**

### **FIRST COMMISSION MEETING MINUTES**

**MEETING DATE: NOVEMBER 10, 2015**

#### **Commission Attendees:**

Senator Justin Ready, Robert Brennan, Duane Carey, James DiPino, Edward Dunn, Gabriel Gnall, Maria Icaza, Julia Malette, Delegate Christian Miele, Delegate Dan Morhaim, Elizabeth Moss, Catrice Parsons, Abba Poliakoff, Latesa Thomas, Christine Walters

#### **Department of Commerce Attendees:**

James Palma, Sandy Popp, Malika Noland, R. Carter Ward

#### **Meeting Highlights:**

##### **o Welcome and Commission Introductions**

- The first meeting was held on November 10, 2015 at the Lowe's House Office Building in Annapolis. The meeting began at 10:15 a.m. Senator Justin Ready, the Commission Chair, introduced himself and had all Commission members present introduce themselves. After introductions Senator Ready explained that the purpose of the Commission as per Senate Bill 191, was to improve the State's procurement process to ensure more transparency and greater participation for Maryland based businesses. He also stressed the importance of doing this and at the same time keeping the procurement of goods and services price competitive
- Senator Ready stated that the reason the State's procurement system is so cumbersome and complex is a direct result of several procurement infractions that took place in the 1970's and 80's. As a result, numerous policies were put in place by the legislature to prevent problems in the future and add "teeth" to the system. Unfortunately, so many of these regulations and procedures have made it difficult for many Maryland businesses, especially small businesses to compete. They also continue to grow after each legislative session.
- Senator Ready further stated that he would like to see more participation from and contracting with Maryland based businesses. Tax payer monies should stay within the state and ultimately help the state grow economically.
- The Senator next introduced Gabriel Gnall, Procurement Advisor for the Board of Public Works to discuss procurement regulation and practices in Maryland

##### **o Overview of Procurement Practices in Maryland & 2014 DLS Procurement Report**

- Gabe Gnall presented a Power Point presentation entitled "One Maryland Blue Ribbon Commission – State Procurement Overview." This presentation consisted of 34 slides which covered the general



requirements of the Code of Maryland Regulations (COMAR) Title 21. The six primary categories of Title 21 that Mr. Gnall covered in his presentation included the following:

1. General COMAR Policies and Procedures
2. Board of Public Works Delegations & Oversight Requirements
3. Regulated Procurement Methods
4. Socio Economic Policies
5. 2013 Treya Report Recommendations
6. 2014 DLS Report Recommendations

- During and after the presentation there were several questions from attendees. A brief summary of these questions with Mr. Gnall's answers are as follows:

1. Q: Is bonding required on non-construction State contracts?

A: Rarely is bonding required on non-construction procurements which are generally service or commodity contracts

2. Q: Why are some bid specifications specifically written to advantage large businesses versus small business?

A: Agencies use specifications and/or minimum qualification requirements to maintain high levels of service on larger contracts and ease transition from an incumbent vendor to a new one

3. Q: How does a new company with limited experience get a contract award if they are competing with a larger company as a result of prohibitive bid specifications?

A: Agencies review their specifications over 25K with designated other oversight agencies for quality controls. At that time discussions are held to make minimum qualifications and or specifications reasonable for bidding. At times minimum qualifications are even eliminated to increase competition. Unfortunately for procurements under 25K are not reviewed in this way because these procurements are not subject to external review by an oversight agency.

4. Q: Can the State negotiate with bidders?

A: The State can negotiate with bidders when they are deemed as responsive and qualify for an award. During these negotiation however all bidders have to be given the same opportunity to negotiate whatever components are defined by the Procurement Officer as negotiable. One example of this would be Best and Final Offer solicitations after initial bids are submitted.

#### ○ **Review of Two Draft Procurement Surveys**

- Mr. James Palma who is with the Department of Commerce reviewed two surveys that will be used to solicit information from Procurement Administrators and Maryland based businesses. The business survey will be sent out to over two thousand businesses registered on the States electronic bid board known as eMaryland Marketplace. The Procurement Administrators survey will be sent directly to approximately twelve large state agencies that have a high procurement volume. Data collected would be analyzed and used to compile the final report with recommendations to the Governor
- Several attendees wanted input on the contents of the surveys and it was decided that suggestions could be emailed directly to Carter Ward at the Department of Commerce no later than November 17<sup>th</sup>. All suggestions would then be reviewed by the Commission Chair and incorporated as recommended by the Chair. Final drafts would then be emailed to Commissioners for final review prior to sending them out to the businesses and procurement administrators.

#### ○ **Proposed Commission Activity Timeline**

A brief overview of the Commission performance timeline was presented by Carter Ward from the Department of Commerce. The timeline he presented at the meeting was as follows:

Tues day November 10th.....1<sup>st</sup> full Commission meeting to review the Blue Ribbon legislation and Maryland's procurement process along with review of procurement survey drafts for membership comments before dissemination (Mtg. time 10am-12pm)

Friday, November 13<sup>th</sup>..... Send surveys out to selected procurement agencies and businesses for responses



Mon. November 30<sup>th</sup>.....Deadline to receive surveys and start compiling survey data and writing first draft of Commission report

Tues. December 31<sup>st</sup>.....Preliminary Commission status report to the Governor and the General assembly

Friday January 22<sup>nd</sup> .....First draft report complete and sent via email to Commission membership for review and email comments

Friday February 5<sup>th</sup> .....2<sup>nd</sup> full Commission meeting to discuss the first draft with recommended adds or revisions ( Suggested mtg. time in Annapolis, 3pm-5pm)

Friday March 4<sup>th</sup> .....3<sup>rd</sup> Full Commission meeting to discuss second draft of report final revisions/adds for final report (Suggested mtg. time in Annapolis, 3pm-5pm)

Tuesday May 31<sup>st</sup>.....Final report draft sent to Commission membership via email for quorum vote of approval, proposed deadline for membership's response is Friday June 3<sup>rd</sup> at 4pm

Wednesday June 15<sup>th</sup> ..... Final Report submitted to the Governor

Discussion was held about the timeline and it was agreed that the next Commission meeting would be held sometime in early 2016. At this meeting preliminary survey data would be discussed, implications of a revised timeline and determination of future meetings.

**The Commission meeting adjourned at 11:50 am**



# One Maryland Blue Ribbon Commission Survey of Maryland Businesses

On May 12, 2015 Governor Larry Hogan signed Senate Bill 662 establishing the One Maryland Blue Ribbon Commission. This Commission will review issues related to the participation of Maryland businesses in State procurement and will develop policy recommendations to ensure transparency and greater participation by these businesses. In order to accomplish this goal, the Commission needs critical input from key stakeholders – Maryland businesses and procurement administrators.

You have been selected to complete a brief survey. Your responses will help us gather important information regarding the state of procurement initiatives and processes in Maryland. Commission staff will analyze the survey results and the findings will be used to identify recommendations and complete our report for the Governor and General Assembly.

Please take a moment to complete this important survey by December 22nd. Thank you for your support and assistance with this important effort.

Senator Justin Ready

[signature graphic]

## \* 1. What is this location's primary industry?

- Architectural
- Engineering
- Construction
- Maintenance Services
- General Services
- General Supplies and Equipment Provider
- I.T. Services
- I.T. Supplies and Equipment Supplier
- Human Services
- Cultural Services
- Educational Services
- Social Services
- Scientific Commodities Supplier

Other (please specify)

## \* 2. Is your firm (pick one):

- Headquartered in Maryland
- Part of a U.S. corporation headquartered elsewhere
- Part of an international corporation headquartered elsewhere

# One Maryland Blue Ribbon Commission Survey of Maryland Businesses

**\*3. Is your firm one of the following (choose all that apply):**

- Minority-Owned AND listed in the MDOT Directory of Certified MBE, DBE, SBE and ACDBE Firms
- Women-Owned AND listed in the MDOT Directory of Certified MBE, DBE, SBE and ACDBE Firms
- Veteran-Owned AND listed in the Federal VetBiz.Gov Directory
- Certified Small Business AND listed in Maryland's D.G.S.Small Business Directory
- None of the Above

State Contracting Information

**\*4. How many people are employed at your firm's Maryland operations?**

Employment:

**5. Have you bid on any State contracts during the past 5 years?**

- Yes
- No
- Don't Know

**6. Within the past 5 years, how many contracts under \$25,000 have you been awarded by the State of Maryland?**

Contracts Awarded:

**7. Within the past 5 years, how many contracts under \$25,000 did you bid on but didn't receive an award?**

Number:

**\*8. Within the past 5 years, how many contracts at or over \$25,000 have you been awarded by the state of Maryland?**

Contracts Awarded:

**9. Within the past 5 years, how many contracts at or over \$25,000 did you bid on but didn't receive an award?**

Contracts bid but not awarded:



# One Maryland Blue Ribbon Commission Survey of Maryland Businesses

**\* 10. Have you requested or participated in a procurement debriefing process?**

- Yes
- No
- I Don't Know

# One Maryland Blue Ribbon Commission Survey of Maryland Businesses

**\* 11. Over the past 5 years, what is the cumulative dollar amount you've been awarded exclusively from Maryland state contracts?**

- None
- Up to to \$99,999
- \$100,00 to \$1,000,000
- \$ 1,000,001 to \$5,000,000
- \$ 5,001,000 to \$10,000,000
- \$ 10,001,000 to \$20,000,000
- \$ OVER \$20,000,000

**12. Over the last 5 years, what percentage of your firm's total sales have been generated by Maryland State contracts?**

Percentage

**\* 13. Please list any Maryland State agencies you've successfully contracted with in the past 5 years. If none, please enter "None".**

**14. How did you first hear about contracting with the State of Maryland?**

- Email
- Business Outreach Event
- Internet Article
- Internet Search
- Newspaper Advertisement
- Newspaper or Magazine Article
- Website

Other (please specify)

**\* 15. Have you requested procurement assistance from any State or County agencies?**

- Yes
- No
- Don't Know



# One Maryland Blue Ribbon Commission Survey of Maryland Businesses

## \* 16. With what Maryland offices or agencies have you worked?

- Governor's Office of Minority Affairs (GOMA)
- Department of Commerce
- County/City based Economic Development Office

Other State Agency or Agencies (please specify)

## \* 17. How would you rate Maryland's overall customer service quality from State Agency Procurement Professionals you've directly worked with during a procurement process?

- Excellent
- Good
- Average
- Poor

## \* 18. How would you rate Maryland's marketing initiatives toward attracting Maryland-based businesses to bid on State contracts?

- Excellent
- Good
- Average
- Poor

## \* 19. If you have bid, how would you rate the quality and clarity of Maryland's bid documents?

- Excellent
- Good
- Average
- Poor
- Not Applicable

**One Maryland Blue Ribbon Commission Survey of Maryland Businesses**

**\* 20. If you use eMaryland Marketplace, how would you rate it as a statewide procurement marketing and vendor notification tool?**

- Excellent
- Good
- Average
- Poor
- Not Applicable



## One Maryland Blue Ribbon Commission Survey of Maryland Businesses

**\* 21. If used, how easy do you feel eMaryland Marketplace is to navigate and obtain desired information?**

- Easy
- Neither Easy nor Difficult
- Difficult
- Not Applicable

**22. If you could improve eMaryland Marketplace as a procurement marketing tool, how would you do so?**

**\* 23. How would you rate Maryland's procurement process to allow ample time for submitting a well-prepared bid or proposal?**

- Excellent
- Good
- Average
- Poor
- Not Applicable

**24. What else would you like to tell us about contracting with the State of Maryland?**

Thank you for your time and support.

<b>Organization</b>	<b>Name</b>	<b>Title</b>	<b>Address</b>	<b>Email Address</b>	<b>Phone Number</b>
Maryland Senate	Justin Ready	Senator (Chairman)	414 James Senate Office Building, Annapolis, MD 21401	<a href="mailto:justin.ready@senate.state.md.us">justin.ready@senate.state.md.us</a>	(410) 841-3683
Maryland Senate	Cheryl Kagan	Senator	203 James Senate Office Building, Annapolis, MD 21401	<a href="mailto:cheryl.kagan@senate.state.md.us">cheryl.kagan@senate.state.md.us</a>	(410) 841-3134
Maryland House of Delegates	Dan Morhaim	Delegate	362 House Office Building, Annapolis, MD 21401	<a href="mailto:dan.morhaim@house.state.md.us">dan.morhaim@house.state.md.us</a>	(410) 841-3054
Maryland House of Delegates	Christian Miele	Delegate	316 House Office Building, Annapolis, 21401	<a href="mailto:Christian.Miele@house.state.md.us">Christian.Miele@house.state.md.us</a>	(410) 841-3365
Western Region Business Owner Rep.	Christine Walters	FiveL Company	PO Box 1325, Westminster, MD 21158	<a href="mailto:info@fiveL.net">info@fiveL.net</a>	(410) 848-4721
Capital Region Business Owner Rep.	James Soltesz	CEO, President of Soltesz	2 Research Place, Suite 100, Rockville, MD 20850	<a href="mailto:jsoltesz@solteszco.com">jsoltesz@solteszco.com</a>	(301) 948-2750
Southern Region Business Owner Rep.	Maria Icaza	The Java Group, LLC	23383 Nicholson St, Hollywood, MD 20636	<a href="mailto:mariaisabelicaza@gmail.com">mariaisabelicaza@gmail.com</a>	(301) 475-6789
Central Region Business Owner Rep.	Abba Poliakoff	Gordon Feinblatt	233 E Redwood St # 100, Baltimore, MD 21202	<a href="mailto:apoliakoff@gfrlaw.com">apoliakoff@gfrlaw.com</a>	(410) 576-4067
Eastern Shore Region Business Owner Rep.	Edward Dunn	American Mechanical Services	13300 Mid Atlantic Blvd., Laurel, MD 20708		(301) 206-5070
Department of Public Safety & Correctional Services	James DiPino	Contract Administrator, DPSCS	300 E. Joppa Road, Baltimore, MD 21286	<a href="mailto:jdipino@dpscs.state.md.us">jdipino@dpscs.state.md.us</a>	(410) 339-5014
Department of Labor, Licensing, & Regulation	Latesa Thomas	Chief of Procurement, DLLR	500 N. Calvert Street, Baltimore, MD 21202	<a href="mailto:latesa.thomas@maryland.gov">latesa.thomas@maryland.gov</a>	(410) 230-6031
Department of Budget & Management	Gabriel Gnall	Chief of Procurement, DBM	45 Calvert Street, Room 135, Annapolis, MD 21401	<a href="mailto:gabe.gnall@maryland.gov">gabe.gnall@maryland.gov</a>	(410) 260-7338
Department of General Services	Jack Howard	Director of Business Programs, DGS	301 West Preston Street, Suite M-9 Baltimore, Maryland 21201	<a href="mailto:jack.howard@maryland.gov">jack.howard@maryland.gov</a>	(410) 767-0979

Community Hub for Opportunities in Construction Employment (CHOICE)	Tom Hayes	Baltimore Field Representative, North America Building Trades	9613 C Harford Road, Baltimore, MD 21234	<a href="mailto:thayes@choiceworks.org">thayes@choiceworks.org</a>	(202) 756-4660
AFSCME Maryland	Julia Malette	Researcher and Organizer, AFSCME	190 W. Ostend Street, Suite 201, Baltimore, MD 21230		(410) 547-1515
Impact Marketing & Public Relations	Duane Anthony Carey	President, Maryland Business for Responsive Government	6310 Stevens Forest Rd., Ste. 110, Columbia, MD 21046	<a href="mailto:duane@mbrg.org">duane@mbrg.org</a> ; <a href="mailto:dcarey@impactmarketing.net">dcarey@impactmarketing.net</a>	(410) 312-0081
Maryland Municipal League	Catrice Parsons	Procurement Manager, Town of Ocean City	204 65th Street, Bldg. A, Ocean City, MD 21842	<a href="mailto:cparsons@oceancitymaryland.gov">cparsons@oceancitymaryland.gov</a>	(410) 723-6647
Maryland Association of Counties	Elizabeth Moss	Director of Procurement, Howard Community College	10901 Little Patuxant Parkway, Columbia, MD 21044	<a href="mailto:emoss@howardcc.edu">emoss@howardcc.edu</a>	(443) 518-4837
Maryland Economic Development Corporation	Bob Brennan	Executive Director, MEDCO	300 E. Lombard Street, Suite 1000, Baltimore, MD 21202	<a href="mailto:R_Brennan@medco-corp.com">R_Brennan@medco-corp.com</a>	(410) 625-0051
Maryland Chamber of Commerce	Robyn Palmer	Vice President, LRS Federal LLC	8221 Ritchie Hwy, Suite 300, Pasadena, MD 21122	<a href="mailto:rpalmer@lrsfederal.com">rpalmer@lrsfederal.com</a>	(410) 544-3570 x 315
ChoiceWorks, Inc.	Stephen Weissenberger	Executive Vice President, MCA-Maryland	3600 O'Donnell Street, South Tower, Suite 800, Baltimore, MD 21224	<a href="mailto:weissenberger@mca-maryland.org">weissenberger@mca-maryland.org</a>	(410) 276-1926
Dept. of Budget and Management	Mary M. Naramore	Director Procurement Policy and Admin	45 Calvert Street, Annapolis, MD 21401	<a href="mailto:mary.naramore@maryland.gov">mary.naramore@maryland.gov</a>	(410) 260-7471