



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

July 25, 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: One Maryland Blue Ribbon Commission – Updated Report

Dear President Miller and Speaker Busch:

Pursuant to Chapter 191, Acts of 2015, the One Maryland Blue Ribbon Commission is pleased to submit its findings and recommendations to the General Assembly. This version dated July 25, 2016 replaces the version dated July 1, 2016 and previously submitted on July 5, 2016.

We look forward to your review of this report and will be available to furnish any additional information that is needed. If we can be of further assistance, or if you have any questions regarding this report, please contact Robert Ward at 410-767-2211.

Sincerely,

The Honorable Justin Ready
Chairman
One Maryland Blue Ribbon Commission

Enclosure

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

**ONE MARYLAND BLUE RIBBON
COMMISSION REPORT
“REFORMING STATE PROCUREMENT
FOR MARYLAND BUSINESSES”**

As required by:

MARYLAND GENERAL ASSEMBLY CH 191, Acts of 2015

**Submitted by:
Maryland Department of Commerce**

July 2016



ONE MARYLAND BLUE RIBBON COMMISSION - OVERVIEW AND PURPOSE

Each year, the State of Maryland procures approximately \$7 billion dollars in construction, services and commodities. Within its existing procurement system, profit and non-profit businesses based in Maryland face a complex and often difficult path to procuring State contracts.¹ A recent survey of Maryland-based businesses conducted by the One Maryland Blue Ribbon Commission found only 2.8% of 600 businesses who responded received a State contract at or over \$25,000 in the past five years. 45% of these businesses had never received a Maryland contract in the past five years. While these 600 respondents do not represent the majority of businesses in Maryland, their responses represent a large pool from which to draw important data.

The One Maryland Blue Ribbon Commission (Commission), was created by the Maryland General Assembly (Chapter 191, Acts of 2015) to investigate the lack of local business participation and devise policy recommendations for substantive change. The 22 member Commission included State and local government officials and procurement professionals, as well as businessmen from five regions across the state. Members were chosen for their diverse and insightful experiences and perspectives about the State's procurement system.²

Since November 10, 2015, the Commission held four meetings and worked diligently to devise this comprehensive report. The report's findings with specific recommendations are intended to identify ways to improve the State's procurement system for Maryland businesses through the creation of better procurement methods, policies and greater transparency.

A BRIEF HISTORY OF PUBLIC PROCUREMENT IN MARYLAND

Maryland has a long history of procurement events, laws and policies. Beginning in 1864, the State through its own Constitution created a unique procurement oversight entity known as the Board of Public Works (BPW). The BPW is a body made up of the Governor, the Comptroller and the Treasurer who review and approve most procurement contracts in the State monthly. In 1980, the General Assembly added to BPW's responsibilities by requiring it to approve all State agency contracts at or over \$200,000 twice a month.³

Today, the State's procurement regulations are a complex, decentralized maze of laws, policies and procedures.⁴ Most of these regulations are a direct result of structural changes that took place after procurement misconduct occurred during the terms of two governors in 1973 and 1977, respectively. After these incidents, Maryland's procurement laws were strengthened with the intent of righting past wrongs. Today, most State procurement law is contained under Division II of the State Finance and Procurement Article of the Maryland Annotated Code. In 1974, the Maryland General Assembly recognized the need for these State administrative regulations to be

¹ M. Rubenstein, L. Simpson, "Review of Maryland's Procurement Policies and Structures" Dept. of Legislative Services, page.# 1, November 2014

² Sponsor - Senator Justin Ready, "Senate Bill, 662 State-Finance and Procurement-One MD. Blue Ribbon Commission" page 2

³ M. Rubenstein, L. Simpson, "Review of Maryland's Procurement Policies and Structures" Dept. of Legislative Services, page 3, November 2014

⁴ M. Rubenstein, L. Simpson, "Review of Maryland's Procurement Policies and Structures" Dept. of Legislative Services, page 2, November 2014

compiled and published. As a result, the Division of State Documents was created. This Division compiled and published a lengthy procurement document that came to be known as the first *Code of Maryland Regulations* (COMAR). The regulatory requirements contained in COMAR are based on the American Bar Association's *Model Procurement Code* and are currently the primary source document that house all State procurement regulations. COMAR is updated with supplemental regulations annually and currently defines State Procurement functions as follows:

“Procurement” – Includes all functions that pertain to the process of leasing real property as a lessee, and the process of buying, leasing as lessee, purchasing, or otherwise obtaining any supplies, services, construction, construction related services, architectural services, engineering services, or services provided under an emergency contract, including description of requirements, selection, and solicitation of sources, preparation and award of contract, and all phases of contract administration.

In 2012, Governor Martin O'Malley requested the BPW retain an outside procurement expert to conduct a comprehensive review of procurement policy in the State. The resulting report was completed by Treya Partners and identified numerous policy and structural barriers to the efficient and transparent operation of the State's system. In 2014, the Department of Legislative Services (DLS), conducted another assessment of the State's procurement system. The report entitled *Maryland's Procurement Policies and Structures*, identified concerns and recommendations similar to the earlier Treya report. Of these recommendations, the most important was to create the position of Chief Procurement Officer. This position would oversee all procurement operations similar to several other states. The report estimated that the position would save the State significant savings through centralization and better oversight of all its procurement operations. The report also listed several other recommendations for statutory and administrative changes that would lead to cost effectiveness and greater transparency within Maryland's procurement system.⁵

Today, Maryland's procurement system remains under legislative review and analysis toward structural change. On February 10, 2016, Governor Larry Hogan signed Executive Order 01.01.2016.05, establishing a 19 member Commission to “Modernize State Procurement.” This Commission will conduct a comprehensive review of all of Maryland procurement systems, codes and regulations. A final report with Commission findings and recommendations is due to the Governor on December 31, 2016.

OPINIONS OF BUSINESSES AND PROCUREMENT OFFICERS OF MARYLAND'S PROCUREMENT SYSTEM

Background

This report presents the results of two surveys that were developed and conducted by the Maryland Department of Commerce (Commerce). These surveys were conducted online using Survey Monkey. One survey was sent to 22,000 businesses and non-profit organizations with Maryland addresses and who were registered on eMaryland Marketplace (eMM). eMM is Maryland's official eProcurement website where registrants receive and respond to bid

⁵ M. Rubenstein, L. Simpson, “Review of Maryland's Procurement Policies and Structures” Dept. of Legislative Services, Page 31, November 2014

notifications. The business survey contained 19 questions focused on industry designation, success in acquiring contracts, quality of customer service, and impediments to acquiring State contracts. Of this group, 600 businesses responded.

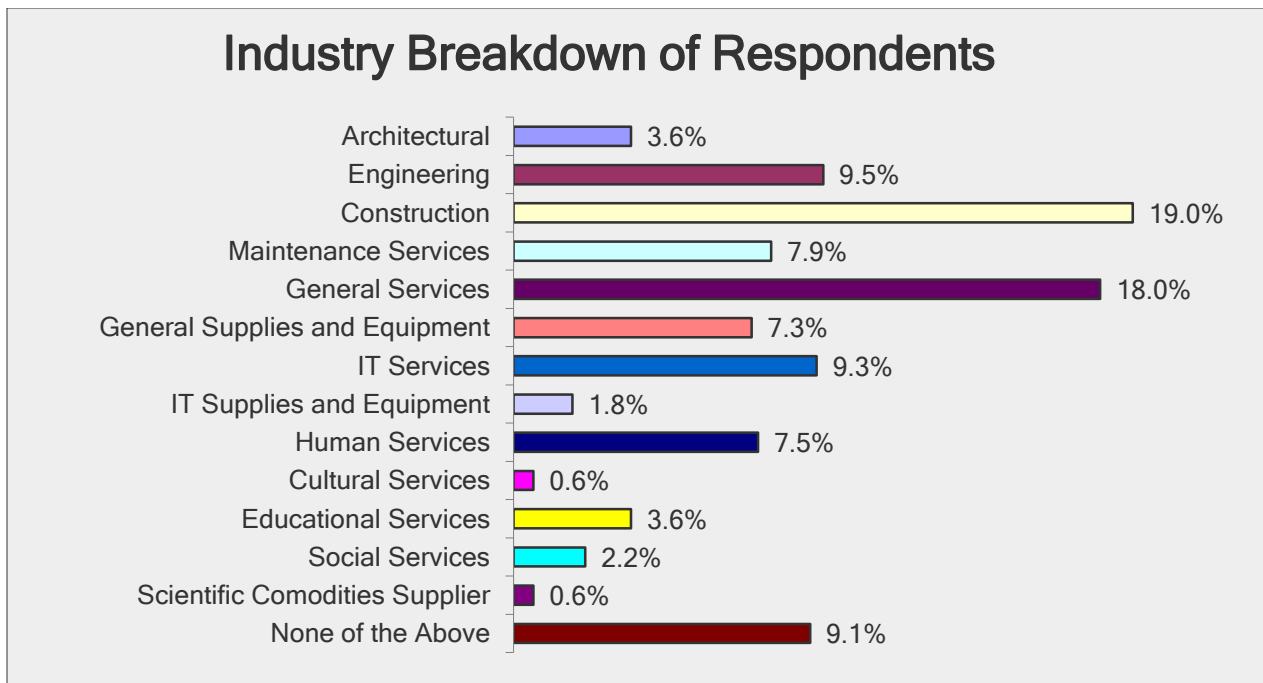
A second survey was sent to procurement administrators at 17 large to mid-size State agencies. These agencies were chosen based on their size and buying diversity. Of this group, 10 agencies responded. Each survey contained 11 questions addressing staff resources, number of contracts awarded to Maryland-based businesses, marketing initiatives, and utilization of eMM.

Survey Purpose and Intent

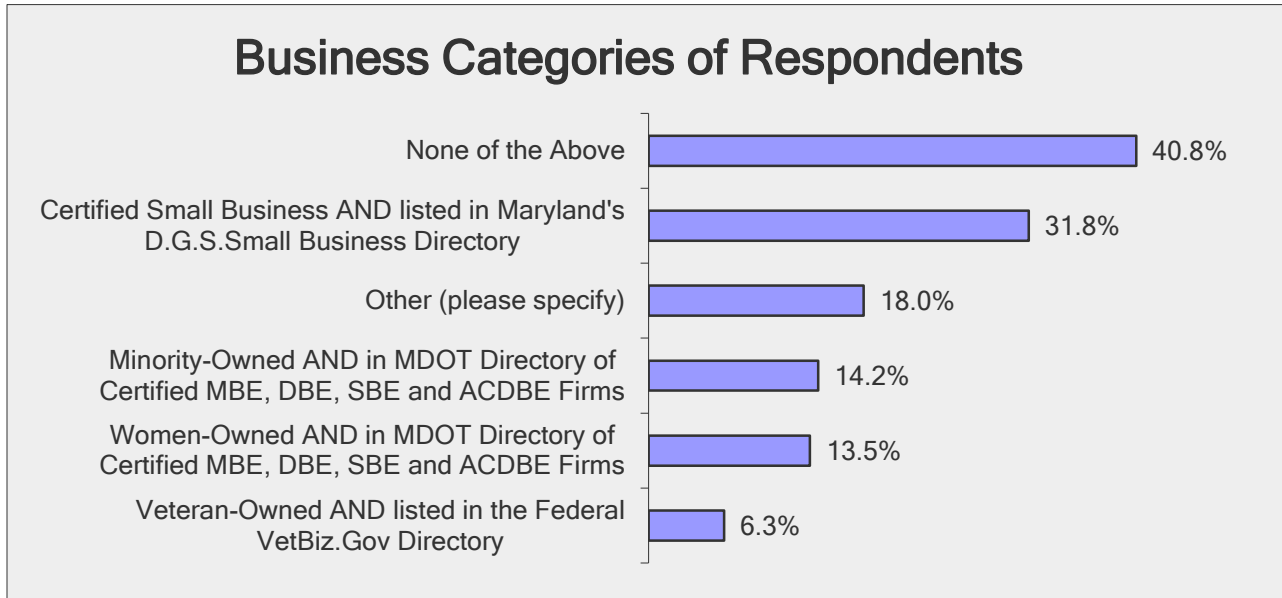
The purpose of the surveys was to gather field data from businesses and a cross-section of Maryland procurement administrators to solicit their experiences with the State’s procurement system. Commissioners focused on analyzing and addressing responses to questions and comments collected in the field. By doing so, the members addressed their charge of reviewing the current State procurement process directly from users and then developing policy recommendations to ensure greater transparency and participation for Maryland businesses. A summary of selected survey questions and responses are as follows:

Summary of Survey Results from Maryland Businesses

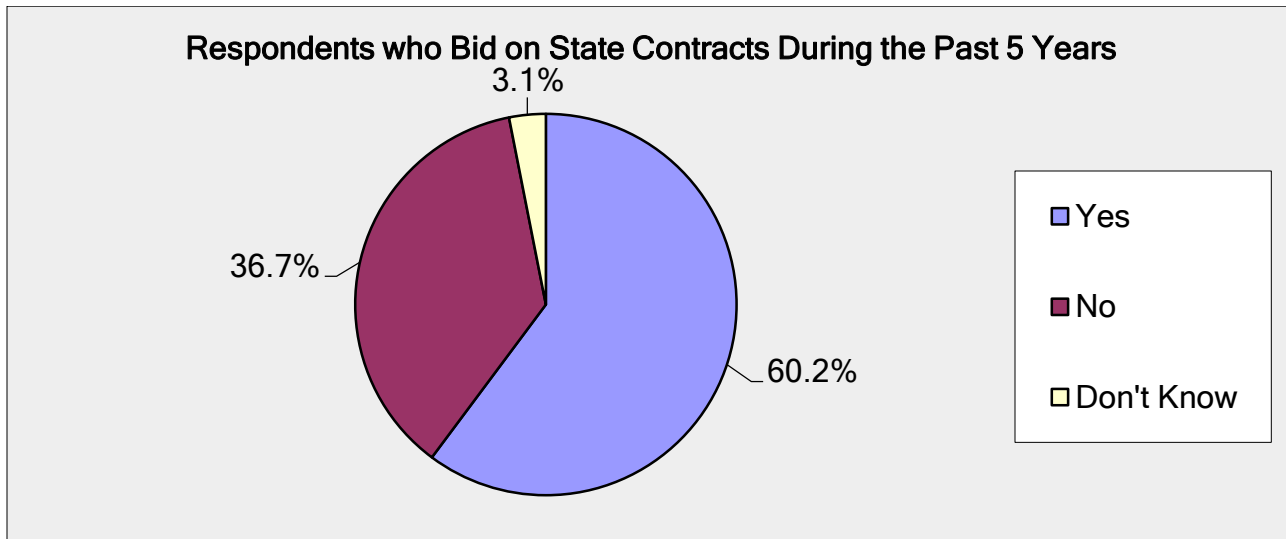
600 businesses and non-profit organizations in 13 industry designations responded to the survey. The two largest sectors were Construction (19%) and General Services (18%). A breakdown of all industries that responded is as follows:



Approximately 60% of those surveyed fell under one of the following categories including Veteran-Owned, Woman-Owned, and Minority-Owned or Small Business categories. It is important to note that according to Maryland’s Governor’s Office of Minority Affairs, Maryland is home to roughly 525,000 businesses. 90% are small businesses with fewer than 100 employees. Over 54% are owned by African-Americans, Hispanic-Americans, Asian Americans, Native-Americans and women.⁶



Of those responding, 60% had bid on State contracts in the past five years; 37% had not bid.

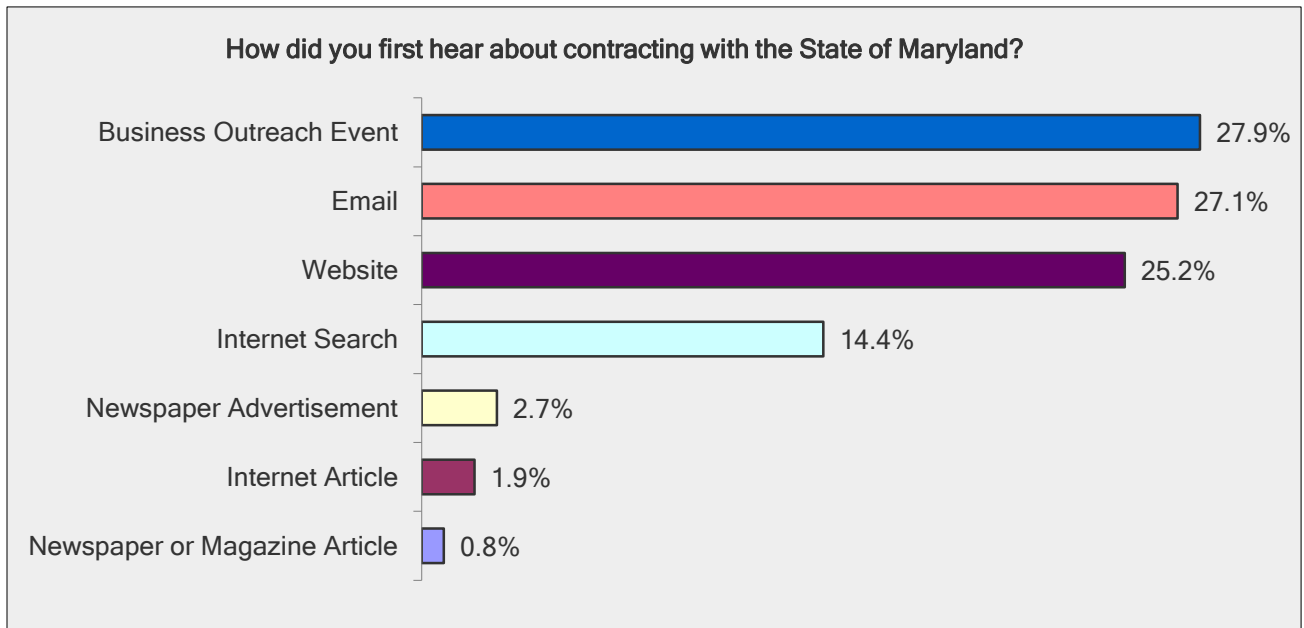


⁶ Annual Report, “Minority Business Enterprise Program – Small Business Reserve Program” page 7, Fiscal Year 2015

Over the past five years, 40% of the respondents had not received State contracts and only 2.8% had received awards at or over \$25,000.

When businesses were asked about customer service from State or County agencies, only 23% said they had requested assistance. When asked about the quality of service received from State Agency procurement professionals, 34% said it was average and 18% said it was poor. In addition, 6% rated Maryland’s efforts in this area as excellent; 22% reported that these efforts were good; 37% said it was average; and 32% said it was poor. Respondents reported learning about bid opportunities as follows:

- Business Outreach Events – 28%
- Email Notifications/eMM – 27%
- Websites – 25%



Survey Comments from Maryland Businesses

All 19 questions in the business survey were multiple choice. The last question asked respondents for specific comments or suggestion(s) to improve the procurement and/or contracting process in Maryland.

The comments from the 600 respondents are verbatim and can be categorized as follows:

1. eMaryland Marketplace (eMM)

- “eMM is a perfect system for the 1980’s. It isn’t user-friendly, the search features are non-existent and takes too long to navigate.”

- “Maryland should invest in updating this site; other states are far outpacing ours when it comes to ecommerce activities. For example, take a look at Virginia’s ecommerce system as one model.”
- “Examine Fed Biz Ops (www.fbo.org), used by the federal government as one model to look at. Much more efficient and easier to use than eMM, searches are done by bid # and all information comes up at once versus numerous screens in eMM to find information.”
- “eMM’s commodity lists and vendor codes need to be updated to fit today’s products and services.”
- “eMM is constantly sending bids that do not pertain to my industry.”

2. Procurement Process, Bidding & Payments After Award

- “The lowest bid is always the winner rather than the overall best quality a bidder can provide for the State’s dollar.”
- “The procurement process is too long, too complicated and includes too many boilerplate requirements, especially for small businesses like mine.”
- “Incumbents and large contractors always seem to win State contracts over new, smaller contractors.”
- “At times the quality of bid documents, RFP’s drawings and specifications are poor.”
- “After award contractor payments are slow, especially to sub-contractors.”

3. Breaking Up Large Contracts

- “It’s very difficult for smaller firms to compete with larger firms on large contracts, don’t have the resources and/or bonding to do so.”
- “Help smaller contractors who would like to bid on larger multi-trade or multi-service procurements by breaking service/trade components into separate bid packages. This will allow smaller contractors to then bid on these packages.”
- “Consider limiting multi-year and Preferred Provider contracts in the State and making these services smaller bid packages, would then allow more contractors to compete for contracts in this marketplace.”

4. State Preference in Procurement

- “Why is Maryland awarding lucrative contracts to vendors outside of the state?”

- “Many bids require three to five years of general or State experience to qualify to bid; this isn’t fair.”
- “It seems you have to have prior experience working in Maryland or be based in the State to receive a contract.”
- “Why does Maryland have to honor the state preference requirements of other states from outside bidders coming from other states?”

5. Minority Business Requirements

- “The State needs to stop focusing so much on MBE requirements and set asides and refocus on hiring quality professionals.”
- “MBE requirements are excessive and burdensome.”
- “Revamp the MBE program. There are 600,000 minority [owned] businesses in MD, DE and VA but only about 5,000 certified [as MBE]; the certification process in Maryland is too slow and too complicated.”
- “Very difficult to find qualified MBE’s with competitive pricing.”
- “The minority business program is needed in Maryland. Otherwise, small minority businesses like mine would be shut out of a voluntary MBE system.”

6. Quality of Procurement Professionals

- “The folks in the procurement office are overworked.”
- “The worst thing about contracting in Maryland are the State employees. They often don’t care, are lazy and not helpful.”
- “My experiences with the procurement officers at one agency has been good.”
- “After a procurement outreach event, the Procurement Officer I met would not respond to my emails for assistance.”
- “Procurement personnel are lacking customer service skills.”
- “Procurement professionals are way too busy and need more resources.”

Survey Responses to Direct Questions from Procurement Administrators

The Commission was interested in the opinions of the State’s procurement professionals regarding Maryland’s system and its impact on businesses. Therefore, professionals were asked eight multiple choice questions. The data collected was helpful to analyze business concerns

regarding procurement from two different perspectives. Of the 17 procurement agencies solicited, 10 responded. A summary of responses is as follows:

1. Do you feel your office is adequately staffed and resourced to perform core procurement functions?
Response: 57% YES 43% NO

2. What are the ways your agency advertises opportunities for Maryland-based businesses to bid on State contracts?
Response:
 - eMaryland Marketplace – 100%
 - Direct solicitations – 86%
 - Marketing at business outreach events – 57%
 - Individual vendor initiated meetings – 29%
 - Agency Bid Board or web listings – 57%

3. In your opinion, what is the overall success of the Maryland businesses who participated in contracts with your agency over the past five years?
Response: Good 100%

4. How does your agency support Maryland-based businesses during the procurement process?
Response:
 - Direct outreach solicitation to Maryland-based businesses – 86%
 - Debriefing businesses who request a meeting with the Procurement Officer – 100%
 - Posting questions/answers on eMaryland Marketplace during procurement process – 86%
 - Responses to questions from bidders during the procurement process in writing – 100%
 - Pre-proposal conferences to review bidding and scope requirements – 100%

5. Do you feel there are challenges/barriers for Maryland-based businesses to obtain contracts within the State procurement system?
Response:
 - 71% YES 29% NO

6. Do you feel the State can do more to attract Maryland businesses to bid on State contracts?
Response:
 - 86% YES 14% NO

It's important to note that state agencies were aggressive regarding contract awards to Maryland-based businesses. Total number of contracts awarded over \$25,000 in the past five years was 69,772. Of that number, 51,844 or 74% went to Maryland-based businesses and 17,928 representing 26% went to non-Maryland businesses.

Summary of Survey Comments “Procurement Administrators”

A summary of survey comments from Procurement Administrators are as follows:

- Simplify the procurement process by limiting the impact of heavy procurement-related legislation.
- Make errors in MBE responses “curable.”
- Perform more training for potential bidders.
- Create more awareness of bid opportunities to prospective Maryland bidders through direct solicitations.
- Provide more human and technical resources for procurement professionals to help them do their jobs more efficiently.

NATIONAL PROCUREMENT REFORMS

In most states, public procurement is evolving into a strategic business function within government. This is due to the fact that many states entered the 21st century with serious revenue shortfalls and increasing expenditures. According to the National Association of State Budget Officers, states experienced some of the largest budget deficits in history over the past five years. To respond to this problem and run more efficiently, several states implemented new and innovative procurement practices and programs. These programs have cut costs, improved management systems, centralized roles/functions, and increased the use of innovative eProcurement technologies. Some of the states who are leading this reformation movement are:

Arizona

eProcurement has been the centerpiece of Arizona’s reform effort since 2009. Arizona automated its entire procurement and contract administration process, enhancing efficiency, transparency and cost savings. ProcureAZ includes a single portal for vendor registration, electronic sourcing, vendor catalogs, purchase orders, invoicing and contract administration. ProcureAZ is fully accessible to the public, allowing any resident to view pending procurements, contract awards, and state spending by agency or vendor. Automating the procurement process reduced the average time from solicitation to contract award by one-half.⁷

Washington

Legislation that took effect on January 1, 2013 consolidated three procurement entities under a single Department of Enterprise Services and merged separate chapters of laws under one single procurement chapter. In addition, Washington requires that all employees who develop, manage,

⁷M. Rubenstein, L. Simpson, “Review of Maryland’s Procurement Policies and Structures” Dept. of Legislative Services, pg. 39 November 2014

or execute contracts receive standardized training for certification to ensure consistent procurement practices are followed.⁸

Virginia

In 2001, Virginia contracted with a company to develop an eProcurement software tailored to the State's buying needs. Like Arizona, Virginia's system is tied to the State's financial accounting system and provides vendor registration, electronic sourcing, vendor catalogs, purchase orders, invoicing, and contract administration. Vendors also have access to State spending histories for services and commodities. In 2012, Virginia also launched a mobile app, for suppliers to connect with State buyers. Businesses interested in contracting with the State can register, download the app and get notifications when the State bids are advertised. A new feature recently introduced allows several small businesses to connect via the app to bid on projects together.⁹

Georgia

Georgia uses statewide procurement training in the area of contract administration. In 2014, Georgia recognized this as an area that needed improvement and implemented a comprehensive training course for all procurement personnel. Since implementation, contract management after awards has greatly improved.¹⁰

Massachusetts

On May 10, 2011, former Massachusetts Governor Deval Patrick signed Executive Order 533 entitled "Enhancing the Efficiency and Effectiveness of Executive Department Procurements and Establishing a Municipal Procurement Program." The order is comprised of 12 major reform sections that include establishment of an eProcurement Advisory Board, implementation of social media tools within procurement, improved marketing efforts, and analysis and reformation in the use of multi-year contracts. The State has been vigorously implementing these and other initiatives from this Executive Order.

Governing Institute Study

The Governing Institute is an established non-profit entity that researches and publishes articles regarding the advancement of state and local government practices across the country. It's the nation's only media and research company focused exclusively on state and local government education through its reporting. Recently, the Institute ranked procurement departments across the country.

In March 2016, the Institute's "Governing Magazine" published an article entitled "Purchase Power: A Special Report on State Procurement." The magazine did a year-long study of state government procurement programs nationally. It ranked the top 25 states for overall procurement performance using nine evaluation criteria as follows: 1) Use of Information

⁸M. Rubenstein, L. Simpson, "Review of Maryland's Procurement Policies and Structures" Dept. of Legislative Services, page 40, November 2014

⁹ Liz Farmer, "Purchase Power: A Special Report on State Procurement" Governing Magazine, page 49, March 2016

¹⁰ Liz Farmer, "Purchase Power: A Special Report on State Procurement" Governing Magazine, page 48, March 2016

Technology 2) Relationship Management 3) Organizational Structure and Authority 4) Organizational Culture and Leadership 5) Workforce Training 6) Contract Administration 7) Business Sourcing 8) Procurement Planning and 9) Performance Measures.¹⁰

From the study, Georgia, Virginia and Minnesota topped the list as the best programs. The top 25 rated states were:

- | | | |
|------------------|-------------------|------------------|
| 1. Georgia | 11. Oregon | 21. Florida |
| 2. Virginia | 12. Pennsylvania | 22. North Dakota |
| 3. Minnesota | 13. Delaware | 23. Wisconsin |
| 4. Utah | 14. West Virginia | 24. Arkansas |
| 5. Massachusetts | 15. Maine | 25. Oklahoma |
| 6. Ohio | 16. California | |
| 7. Missouri | 17. Mississippi | |
| 8. Washington | 18. Indiana | |
| 9. Michigan | 19. Vermont | |
| 10. Montana | 20. Idaho | |

The Blue Ribbon Commission found that several states across the country have been implementing innovative procurement programs for some time. In many cases, the programs have been effect for over a decade. Maryland could benefit greatly by analyzing successful initiatives, exploring best practices and customizing and/or implementing programs that have worked effectively in other states.

MARYLAND PROCUREMENT REFORM EFFORTS

There is a movement underway to make improvements to address several of the concerns from businesses that were revealed in the Commission's survey. With Governor Hogan's recent signing of Executive Order 01.01.2016.05 establishing the Commission to Modernize State Procurement, the State will conduct a comprehensive review of all procurement practices, codes and regulations. Chaired by the Lieutenant Governor, the results of the Commission will benefit both the business community and procurement personnel. Of the 17 Commission goals, 10 have a direct impact on Maryland businesses leading to greater transparency and greater access to contracting opportunities. These include:

- Reduction of transaction costs for State agencies by utilizing new technologies to increase efficiencies and make the procurement process more accessible to business;
- Expansion of the Small Business Reserve Program;
- Expansion of the small procurement limit and single purchase limit for corporate purchasing cards to allow for rapid procurement/payment of goods and services;
- Reduction in the number of documents businesses are required to submit with proposals prior to contract awards;
- Simplification of the Minority Business Enterprise certification process;
- Establishment of standards allowing the State to obtain the overall best value instead of only the lowest price;
- Development of a mechanism that would deter bidders from submitting frivolous protests;

- Standardization of best practices and interpretation of the procurement provisions in the Code of Maryland Regulations (COMAR), across all agencies to improve consistency and provide predictability to the business community;
- Development of a statewide procurement manual, divided by industry sector that summarizes the procedures and processes to be used by State agencies for awarding contracts; and
- Development of a self-directed training module for any interested business to quickly learn how to effectively bid on State contracts.

FINDINGS FROM COMMISSION SURVEYS AND MEETINGS

The One Maryland Blue Ribbon Commission found that as a result of data received from the two surveys, meeting discussions, and procurement presentations, six themes became evident. These are:

- 1) Lack of eMM functionality
- 2) Prohibitive business preferences within the State's procurement system
- 3) Need for simplification of the State's procurement system
- 4) Improvement in the quality of bid documents
- 5) Unbundle large State contracts
- 6) More human and technical resources for procurement professionals is critical

Both surveys found that the most significant opinions from both groups related to eMM. Maryland's current eProcurement system has been in place since January 2012 and is managed by the Department of General Services (DGS). As outlined above, the businesses surveyed by the Commission believe the system is very difficult to use and does not provide useful procurement information. The Procurement Officers surveyed expressed like concerns. This is important because all agencies are required to use eMM to solicit bids at or above \$25,000.

In January 2015, DGS conducted its own survey of the eMM system. The agency issued a Customer Satisfaction Survey to 242 eMM registered businesses. The survey data revealed that 77% of the respondents were unhappy with user friendliness of the system. Out of that percentage, 24% stated the biggest issue regarding user friendliness was the inability to find and search for bids; 24% noted concerns with locating a specific function or required pieces of information; and 17% stated they preferred the former eMM system that was in place prior to 2012.

In addition to eMM feedback, businesses who participated in the Commission's survey had several other concerns. One was the perception that the State had too many business preference programs that determined selection of prime and subcontractors during the procurement process. Preferences mostly occurred on larger contracts with some respondents feeling the State wanted larger, well-established contractors who were more equipped to handle these contracts. Some businesses believed that if these larger contracts were "unbundled" into smaller bid packages, it would open up more bidding opportunities for smaller firms who have been historically shut out of the procurement process due to size. In addition, respondents felt that socioeconomic

preferences were excessive, burdensome and not cost efficient for the State i.e. MBE, woman-owned, and veteran-owned businesses programs. Around the same theme of business preference, some respondents believed they were shut out of the procurement process when solicitations specified a certain number of years of experience in specific area(s) of expertise in order to qualify to bid. In this case, respondents wanted to know how a newly formed business could compete with more established businesses on State contracts.

Respondents also believed that at times, Request for Proposal (RFP) scope specifications/ requirements within bid documents needed more substance and clarity for accurate “apples to apples” price comparisons. In addition, businesses saw the State’s procurement process as difficult to understand, felt that it contained too many regulations and submittal steps and took too long to complete. Finally, respondents thought the State took too long to pay contractors after their work was completed.

Other areas received fewer survey comments but are also worth noting. These were customer service quality from procurement professionals and quality of bid documents. Generally, businesses believed they received average to poor customer service from procurement professionals. On the other hand, State procurement professionals desired more technical support and personnel resources to provide better customer service. In addition, several businesses felt that the bid documents provided by State procurement professionals were extremely difficult and cumbersome to understand due to lengthy and complicated procurement/scope requirements.

COMMISSION RECOMMENDATIONS

Based on the surveys conducted, research of best practices of other states, and the analysis of the existing procurement process, the One Maryland Blue Ribbon Commission submits the following recommendations:

1. Improve the Functionality of eMaryland Marketplace

- Overhaul or replace Maryland’s existing eProcurement system.
- Provide vendors with an eProcurement system that is more intuitive and easier to navigate.
- Implement an eProcurement system that fully integrates both financial and procurement data which would allow vendors access to current and historical procurement/financial data.
- Provide greater information technology support for the eProcurement system to include a well-staffed, well trained help desk personnel that are available around the clock.
- Implement an eProcurement system that provides contract administration information to businesses and procurement professionals after awards to include prime and subcontractor, contacts, real time accounting summaries, project timelines and contract completion milestones. This data would be searchable by either project name or assigned eProcurement number.
- Conform county and state government entities to use the same State eProcurement system for uniformity, data integration and transparency.

2. Eliminate Prohibitive Business Preferences

- Require all agencies to limit the use of minimum qualification requirements within bids.
- Require agencies to evaluate each contract opportunity critically and only use vendor qualifications when they are absolutely necessary for an awarded contractor's performance after award.
- Reform the State's procurement system to be more transparent and eliminate the perception of business preference in contracting through a revamped eProcurement system and greater business outreach by each agency. One successful business outreach model to examine would be the small business marketing initiatives underway at DGS.
- Disseminate procurement opportunities well in advance as a yearly forecast of contracts per agency; make this information available within Maryland's eProcurement system annually.

3. Simplify the Complexity of the State's Procurement Process

- Conduct a comprehensive review of all State solicitation documents and reduce the number of forms, affidavits and reporting requirements.
- Consolidate requirements on forms/affidavits and/or find ways to eliminate the volume of these items within solicitation documents.
- Consolidate and standardize procurement solicitation templates used by Procurement Officers for more consistency of requirements between all agencies.
- Provide bidders with what would be known as a "Procurement Forms" website portal. This site would be managed by the BPW and would allow vendors to view any required forms within any type of procurement. After review of pertinent forms, the vendor would sign one Bid Proposal Affidavit that would include a section stating the vendor had read, understood and would comply with all requirements within the forms. All listed forms would be updated on the site as needed with the most current revision date posted beside the form.

4. Improve the Quality of Bid Documents

- Provide statewide training to Procurement Officers on solicitation scope of work development.
- Within scope of work training, an emphasis should be placed on writing scope requirements for different types of procurements, for instance, writing a scope of work for a construction solicitation would differ from writing a scope for a business consultant.
- Require Procurement Officers to put more time into the front end of their procurements and to work closely with agency personnel in developing better scope requirements for different types of solicitations.
- Create scope of work sample templates available to Procurement Officers as references for their solicitations.

5. Unbundle Large State Contracts

- When appropriate, agencies should “un-bundle” large contracts to increase competition and access for small businesses.
- When facing a lack of in-state bidders, agencies should explore the concept of regional or county-based contracts to attract more “home-based” and small business participation.
- Encourage and/or offer incentives for prime contractors to unbundle subcontracting opportunities under their contracts.

6. Provide more human and technical resources for procurement professionals

- Devise a statewide procurement manual that would outline standard procurement method steps, contract types, professional practices, customer service standards, scope of work development and general policies. The manual would be updated annually with page inserts and distributed to all procurement professionals across the state.
- Implement required statewide standardized professional training programs for both new and existing procurement professionals, use the statewide procurement manual as the core of this training.
- Conduct a statewide comprehensive staffing analysis of all procurement departments to assess staffing levels and needs toward meeting higher customer service standards.
- Conduct a statewide technology study of all State procurement departments to assess their technology needs and then establish base technology requirements for all agencies.
- Examine existing procurement technologies at all State agencies for the purpose of defining best practices and agency sharing opportunities.
- Within procurement training programs, include information on the latest technologies in the field both locally and nationally. Include information on software options available to agencies in areas of project management, grants management, contact administration etc.

7. Additional Procurement Recommendations

- The Commission encourages Maryland to continue its current efforts to improve prompt payments requirements within State contracting; one recommendation would be to expand the State’s small dollar procurement limits and single purchase limit for the State’s cooperate purchasing card.
- Eliminate the State’s policy that requires MBE submittals in Offeror proposals to be complete without error to be deemed complete and responsive. Replace this policy with a provision that allows Offerors an opportunity to correct or “cure” MBE submittal error(s) within a specific timeframe after proposal submission.