



State of Maryland
Board of Public Works

80 Calvert Street
Annapolis, Maryland 21401
410-260-7335
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Toll Free: 1-877-591-7320

Martin O'Malley
Governor

Nancy K. Kopp
Treasurer

Peter Franchot
Comptroller

Sheila C. McDonald
Executive Secretary

March 12, 2010

The Honorable Thomas V. Mike Miller, Jr.
The Honorable Michael E. Busch
Legislative Policy Committee
Legislative Services Building, Room 200B
90 State Circle
Annapolis, Maryland 21401-1991

Dear Mr. President and Mr. Speaker:

State law requires the Secretaries of General Services and Transportation, the University System of Maryland and Morgan State University to each submit an annual report to the Board of Public Works on the operation and effectiveness of the Small Business Preference Program within 90 days after the end of each fiscal year (State Finance and Procurement Article, §14-208). Within 60 days after receipt of the reports, the Board of Public Works compiles the information and reports to the Legislative Policy Committee. The Board has not yet received a report from the University System of Maryland, but we are forwarding a summary of reports from the other agencies.

Summary of Preference Program

Under Maryland's Small Business Price Preference Law, agencies may designate individual procurements as Small Business Preference. When a procurement is so designated, certified small businesses compete for State contracts along with businesses that are not certified. If a non-certified business is low bidder, a certified small business would still be awarded the contract if their bid did not exceed the low bid by more than

- Up to 5% where the certified small business is not veteran-owned;
- Up to 7% where the business is a certified veteran-owned small business; or
- Up to 8% where the business is a certified service-disabled veteran-owned small business.¹

¹ Low bid is not the sole determining factor for award.

Veterans Small Business Preference

The 2008 General Assembly established a Procurement Price Preference for certified veteran-owned small businesses and service-disabled veteran-owned small businesses (Chapter 695, Laws of 2008). The Law took effect at the start of FY 2009. The Board of Public Works issued an Advisory, *Procurement - Small Business Price Preference Including Veteran-Owned Small Businesses*, to assist agencies in implementing the new Preference (copy enclosed and available on the Board of Public Works website). The Board will continue to work with procurement agencies and the Maryland Department of Veterans Affairs to maximize participation in the expanded Preference Program.

FY 2009 Reports

Department of Transportation: In FY 2009 the Maryland Department of Transportation designated 23 contracts as Small Business Price Preference. The contracts totaled \$557,420.98. None of the 23 contracts were awarded based on application of the Price Preference.

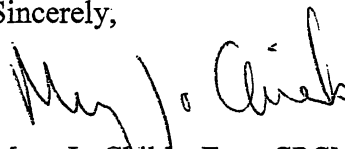
All of the 2009 Small Business Preference solicitations originated from the State Highway Administration, but MDOT recently directed all Modal Administrations and MdTA to include Small Business Preference language in future solicitations.

Department of General Services: The Department of General Services designates all commodity procurements as Small Business Preference. One award totaling \$47,007 was based on application of a 5% preference.

Morgan State University: Morgan State University includes Small Business Preference language in its solicitations, but they have not yet made an award based on application of the Price Preference. They continue training staff on application of the newly-enacted Veterans Price Preference. Morgan State University expects their increased efforts will result in more opportunities for certified small businesses in the future.

Please feel free to contact me if you have any questions.

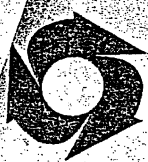
Sincerely,



Mary Jo Childs, Esq., CPCM, CPPO
Procurement Advisor

cc: The Honorable Martin O'Malley
The Honorable Nancy K. Kopp
The Honorable Peter Franchot
Sheila McDonald, Executive Secretary
Sarah Albert, Legislative Services
Enoch Pratt Free Library

09 SBP



Maryland Department of Transportation
The Secretary's Office

Martin O'Malley
Governor

Anthony G. Brown
Lt. Governor

Beverley K. Swaim-Staley
Secretary

Harold M. Bartlett
Deputy Secretary

November 10, 2009

Sheila McDonald, Esq.
Secretary
Board of Public Works
80 Calvert Street
Louis L. Goldstein Treasury Building
Annapolis, MD 21401

RECEIVED
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BOARD OF PUBLIC WORKS

Dear Secretary McDonald:

In accordance with COMAR 21.11.01.05 (2) (b), attached is the Small Business Preference Report for Fiscal Year 2009 for the Maryland Department of Transportation (MDOT) including the following entities: The Secretary's Office (TSO), Maryland Aviation Administration (MAA), State Highway Administration (SHA), Maryland Transit Administration (MTA), Motor Vehicle Administration (MVA), Maryland Port Administration (MPA) and the Maryland Transportation Authority (MdTA).

MDOT's report details a total of \$557,420.98 in contracts that included language relating to the Small Business Preference Program.

Please note that in August 2009, we directed all MDOT Modal Administrations and the MdTA to utilize this language in all applicable FY10 solicitations to ensure full utilization of this program.

Should you have any questions, please do not hesitate to contact my office at 410-865-1121.

Sincerely,

Carmina Perez-Fowler
Chief Procurement Officer

cc: Ms. Karen Williams Gooden, Assistant Secretary for Administration, Maryland Department of Transportation

My telephone number is _____
Toll Free Number 1-888-713-1414 TTY Users Call Via MD Relay
7201 Corporate Center Drive, Hanover, Maryland 21076

FY09 Small Business Preference Contracts

AGENCY	VENDOR_NAME	WORK_CATEGORY	CONTRACT	AMOUNT
SHA	CT BATTLE ENTERPRISES	M	\$	25,000.00
SHA	INTERCON TRUCK EQUIPMENT	M	\$	25,000.00
SHA	BULLZEYE POWER WASHING	M	\$	25,000.00
SHA	AEG ENVIRONMENTAL	M	\$	25,000.00
SHA	EARN CONTRACTORS INC.	M	\$	25,000.00
SHA	INDUSTRIAL MOTOR SUPPLY INC	M	\$	25,000.00
SHA	GLOBAL RENTAL CO INC	CSE	\$	25,000.00
SHA	FIRST CHOICE GARAGE DOORS INC.	M	\$	24,999.99
SHA	WACOR ELECTRONIC SYSTEMS INC.	M	\$	24,999.00
SHA	SMITTY'S TIRES	M	\$	24,999.00
SHA	TECO INC	M	\$	24,999.00
SHA	MARSHALL RUBY & SONS	M	\$	24,999.00
SHA	ANTIETAM TRACTOR & EQUIPMENT INC	M	\$	24,999.00
SHA	FLOYD E CLINE & SONS INC	M	\$	24,999.00
SHA	INTERSTATE GARAGE DOORS INC	M	\$	22,353.00
SHA	WORLDWIDETRADESMAN	M	\$	24,999.00
SHA	US PRODUCT CONVERSIONS & TRADE COMPANY	M	\$	24,999.00
SHA	24 HOUR MAINTENANCE	S	\$	24,999.00
SHA	WILLIAMS SCOTSMAN INC	M	\$	24,999.00
SHA	UNITED SITE SERVICES OF MARYLAND INC	M	\$	24,999.00
SHA	VONEIFF INC.	CSE	\$	24,999.00
SHA	EMANUEL TIRE COMPANY	M	\$	24,999.99
TSO	APPLIED TECHNOLOGY	IT	\$	10,080.00
			\$	557,420.98

Martin O'Malley
Governor
Anthony G. Brown
Lt. Governor



SB(P)R
Alvin C. Collins
Secretary

MARYLAND DEPARTMENT OF GENERAL SERVICES
OFFICE OF THE SECRETARY

September 29, 2009

Ms. Sheila C. McDonald, Esq.
Secretary
Board of Public Works
Room 405 - Treasury Building
Annapolis, MD 21404

The Honorable Thomas V. Mike Miller, Jr.
President of the Senate
H-107 State House
Annapolis, MD 21401

The Honorable Michael E. Busch
Speaker of the House of Delegates
101 State House
Annapolis, MD 21401

Dear Ms. McDonald, President Miller, and Speaker Busch:

Re: Small Business Preference Program

In accordance with the State Finance and Procurement Article, Title 14-208, which requires the Secretary of the Department of General Services (DGS) to annually report the success of the operation and effectiveness of the Small Business Preference Program to the Board of Public Works, enclosed please find the 2009 DGS subject report.

If I can be of further assistance, please contact Mr. Michael F. Haifley, DGS Procurement Director, by phone at 410-767-4429, or via email at michael.haifley@dgs.state.md.us.

Sincerely,

Alvin C. Collins
Secretary

cc: Joan Cadden
Michael F. Haifley
Lynn Porter (DLS)

Enclosure

301 West Preston Street
Baltimore, Maryland 21201-2305
(410) 767-4960
FAX (410) 333-5480



Toll Free 1-800-449-4347
e-mail: Alvin.Collins@dgs.state.md.us
TTY users 1-800-735-2258

REPORT TO THE BOARD OF PUBLIC WORKS AND THE
LEGISLATIVE POLICY COMMITTEE ON THE SMALL BUSINESS
PREFERENCE PROGRAM AS REQUIRED BY THE STATE
FINANCE AND PROCUREMENT ARTICLE, TITLE 14-208

July 1, 2008 through June 30, 2009

This fiscal year report is submitted in accordance with Title 14-208 of the State Finance and Procurement Article. The law requires that, "Within 90 days after the end of each fiscal year, the Secretary of General Services . . . shall submit a report on the operation and effectiveness of the Small Business Preference Program . . ."

To encourage small business participation in the small business preference program, the Department of General Services incorporates solicitation language as it pertains to the 5% preference in all of its commodity procurements. Between July 1, 2008 and June 30, 2009, the Office of Procurement and Logistics of the Department of General Services was engaged in the following procurement activities:

1. The award of 541 contracts to regular and small businesses. The total value of the awards was \$394 million. Of this amount, \$40.5 million (10.3%) was awarded to small businesses and \$353.5 million was awarded to regular businesses.
2. The award of 299 (55%) of the 541 contracts were to small businesses. The average value of an award to a small business was \$135,451 and to a regular business, \$1,460,744.

The tables on the following page compare FY 2008 activities with FY 2009 activities in dollar value of purchases, the number of awards placed, and the average value of an award.

Of the 541 procurement awards processed during FY 2009, DGS awarded one (1) contract, valued at \$47,007 based on the 5% preference; to one (1) small business commodity vendor. This represents only 0.18% of the procurement awards, resulting in an additional cost to the State in the amount of \$1,795.00. In comparison, in FY 2008, DGS awarded two (2) contracts or 0.1% based on applying the 5% preference, at an additional cost to the state of \$1,714.00.

DGS awarded approximately 55% of the total number of awards in FY 2009 to small businesses. The number of awards and the total value of awards to small businesses increased last year. Small businesses were also awarded a larger percentage of the total value of all contracts in FY 2009 versus FY 2008. The small business vendors' community netted more than \$40.5 million in awards in FY 2009 from the Department of General Services' Office of Procurement and Logistics.

DOLLAR VALUE OF PURCHASES

Business	FY 2009		FY 2008		% of Change*
	Dollar Value	% of Total	Dollar Value	% of Total	
Regular	\$353,500,000	89.7%	\$232,477,607.95	91.4%	52%
Small	\$40,500,000	10.3%	\$21,915,078.64	8.6%	84.8%
Total	\$394,000,000	100%	\$254,392,686.59	100%	54.8%

NUMBER OF AWARDS

Business	FY 2009		FY 2008		% of Change*
	Count	% of Total	Count	% of Total	
Regular	242	44.7%	397	75.3%	-39%
Small	299	55.3%	130	24.7%	130%
Total	541	100%	527	100%	2.7%

AVERAGE VALUE PER AWARD**

Business	FY 2009	FY 2008	% of Change*
Regular	\$1,460,744	\$585,586	149%
Small	\$135,451	\$168,578	-20%

*% of Change = (Current Yr #- Last Yr #)/Last Yr #

**Avg Value Per Award = Dollar Value of Purchases/# of Awards

SMALL BUSINESS PREFERENCE AWARDS - FY2008

REQUISITION NUMBER	AGENCY	DESCRIPTION	Proc. Office	PROC. METHOD	PO/PO NUMBER	PO DATE	AMOUNT	In-State Vendor	Out of State Vendor	MBE Vendor	SB Vendor	SBR Solicitation	SB Pref. Award	ADD'L COST TO STATE
M00R9202683	DHMH	Tissue Processor	L. Ruley	CSB	001P9902136	4/22/2009	\$ 47,007.00	No.	Webster & Associates	Yes	Yes	No	Yes	\$1,795.00

TOTAL: \$ 47,007.00

TOTAL: \$1,795.00



1700 E. Cold Spring Lane, Baltimore, Maryland 21251-0001

December 7, 2009

MEMORANDUM

TO: Missy Hodges, Administrative Specialist, Board of Public Works
FROM: Churchill B. Wortherly, Director, Procurement and Property Control
RE: Small Business Preference Program for Fiscal Year 2009

Attached is Morgan State University's Small Business Preference Program Operation and Effectiveness Summary for fiscal year 2009. Should you have any questions, please do not hesitate to contact me at 443.885.3074.

Enc.

cc: Kenneth Powell
File

Morgan State University
Small Business Preference Program

FY 2009

Operation and Effectiveness

In 2004 Morgan State University received its autonomy which placed the University into the Small Business Preference Program (SBPP). Prior to the increased autonomy, the University was exempt from this requirement. To date, the University has not had much of an opportunity to apply this procurement method to any of its procurements. We will make a concerted effort toward implementation in the future.

We are in the process of training the Procurement Staff to utilize SBPP, and we are looking for purchasing opportunities with which it can be applied. We have briefed them of the new guidelines for the Veterans Preference and the Disabled Veterans Preference Program that have now been implemented at the State level. We are including in our solicitations the verbage recommended at the Senior Procurement Advisory Group pertaining to SBPP. Cyclical updates which include the SBPP are part of the scheduled reporting requirements to the Director of Procurement and Property Control. We anticipate future opportunities will provide increased SBR participation benefits gained from the Small Business Preference Program's implementation.