

Q2 BOARD OF PUBLIC WORKS QUARTER 2 | 2024 SUMMARY



Brooke E. Lierman
Comptroller of
Maryland

BY THE NUMBERS

The BPW met five times during Q2 2024 and took the following actions:

525

total items approved

167

new contracts



\$3.89 billion

state expenditures

**\$4.67
billion**

total state expenditures

In Q1 2024, the BPW approved 467 items at a cost of \$2.5 billion.

358

modifications, renewals,
grants, settlements



\$782 million

state expenditures

48

new prime
contracts to certified
small businesses

\$719 million

The **Small Business Reserve Program** sets a 15% annual goal for all State procurement expenditures with certified small businesses.

20

new prime
contracts to MBEs

\$453 million

48

new contracts
with MBE goals

19.7%

average MBE subcontracting
goal for new contracts

The **Minority Business Enterprise Program (MBE)** sets a 29% annual goal for State procurement expenditures with certified MBEs as prime or subcontractors.

The BPW consists of Governor Wes Moore, Treasurer Dereck Davis and Comptroller Brooke Lierman. The Board meets every two weeks and is responsible for approving most contracts over \$200,000, overseeing the issuance of bonds, acquiring and transferring State property, approving wetlands licenses and place-based investing programs (see below).

PLACE-BASED INVESTMENT PROGRAMS

The Capital Grants Program

provides funding to local governments and nonprofits for projects such as community centers, health facilities, museums, and affordable housing.

In Q2 2024, the BPW approved **\$75 million** for **81 projects**.

Program Open Space

preserves natural areas for public use and to protect watersheds and wildlife through land acquisition and conservation easements.

In Q2 2024, the BPW approved **\$33 million** for **39 projects**.

Local Parks and Playgrounds Infrastructure Program

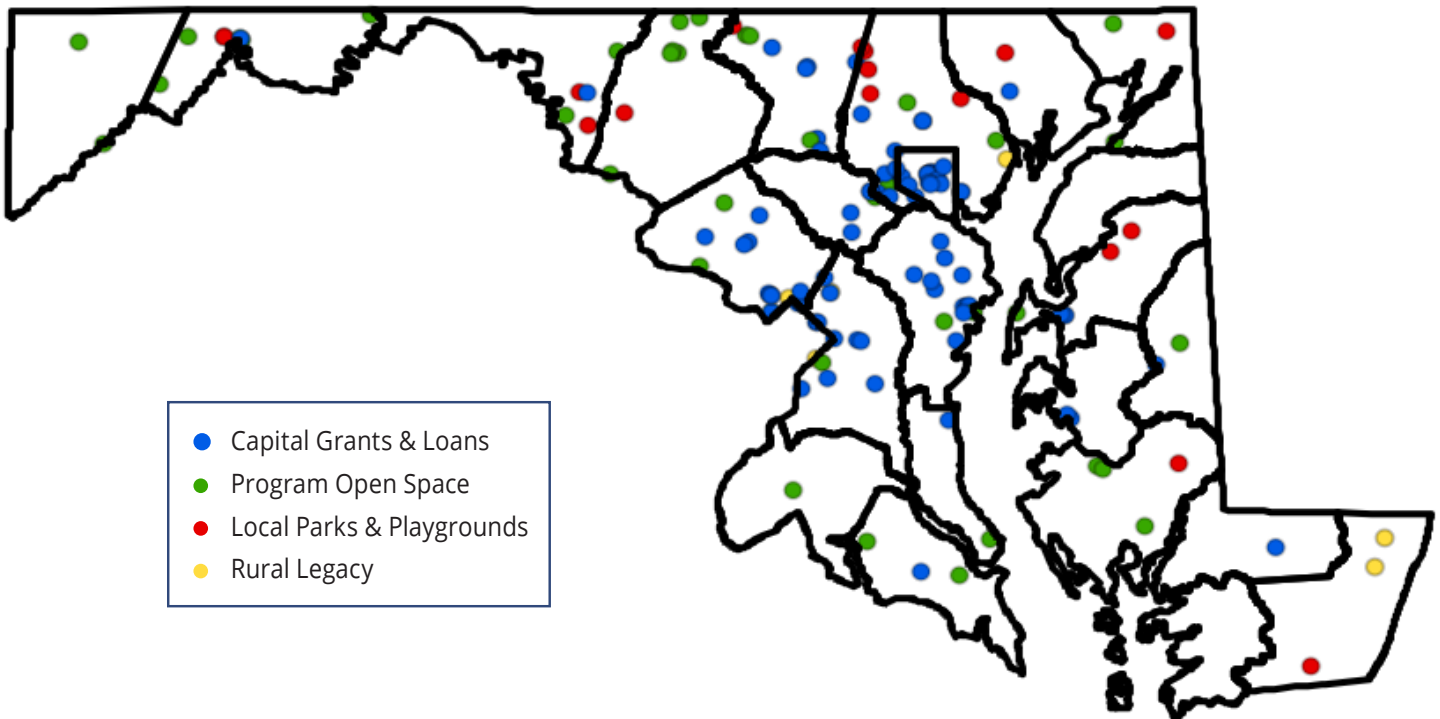
restores and creates parks and green space systems.

In Q2 2024, the BPW approved **\$3 million** for **6 projects**.

Rural Legacy Program

preserves large, contiguous tracts of land to enhance natural resources, agricultural, forestry and environmental protection.

In Q2 2024, the BPW approved **\$7 million** for **17 projects**.



BPW AT WORK

Land Conservation

What we do with the land in our state and how much and which land we preserve are some of the most important questions that the Board of Public Works regularly addresses. Specifically, the BPW is tasked with approving the acquisition or conservation of land for agricultural and recreational use. Investing in the state's available land protects Maryland's rich history of agricultural production and ensures that residents and visitors have ample access to open space.

There are four programs that focus on land conservation in Maryland. Each have actions and expenditures that must be approved by BPW.

1. **Maryland Agricultural Land Preservation Foundation (MALPF)** purchases agricultural preservation easements that indefinitely restrict development on prime farmland and woodland for the continued production of food and fiber. The program is managed by the Department of Agriculture. During the June 5 meeting, the BPW approved one of the largest MALPF purchases in history: 55 easements which will permanently preserve 6,370 acres of prime farmland at a cost of \$31 million.
2. **Program Open Space (POS)** preserves land for the purpose of expanding natural areas and recreational opportunities accessible by the public. POS is administered by the Department of Natural Resources (DNR). Q2 POS acquisitions approved by the BPW included (1) 12.6 acres in Washington County to expand South Mountain State Park and conserve the Maryland Blue Ridge Important Bird

Area, and (2) a community center on 5.4 acres of land in Edgewater to be redeveloped as a recreation complex.

3. **Maryland's Rural Legacy Program** preserves large, contiguous tracts of land – typically through conservation easements – to permanently protect natural resources, farmland, forests and environmentally sensitive areas critical to the economy and the environment. For example, the BPW recently approved a request from the Rural Legacy Program that granted Carroll County funding to purchase a 62-acre easement to protect forested stream buffer along Georges Run, which flows to the Prettyboy Reservoir – a source of drinking water for the Baltimore Metropolitan Area.
4. **Maryland Environmental Trust (MET)**, another program managed by DNR, works with landowners, local communities, and land trusts to protect Maryland's most treasured landscapes, natural, historic, and scenic resources. MET acquires most of its properties when landowners donate their development rights and in return are eligible for reductions in income, property, and estate taxes.

The state must conserve 30% of all land by 2030 and 40% by 2040. At the June 5 BPW meeting, state officials announced that they had achieved the 30% goal 6 years ahead of schedule; they've preserved 1.85 million of the state's 6.1 million acres. The Department of Planning is tracking this work on a dashboard that can be accessed [here](#).

POLICY CORNER

Special Announcement: Maryland Procurement Playbook

Maryland is the first state in the nation to undertake a comprehensive mapping of its procurement economy using the data-driven approach led by the Nowak Metro Finance Lab at Drexel University.

The Office of the Comptroller and other state agencies partnered with Drexel University to better understand (1) the scope of federal, state, and local government procurement spending in Maryland (also known as “the procurement economy”), and how best to help Maryland firms, particularly women and minority owned businesses, grow through government contracts.

Earlier this month, we published the results of the study in the new Maryland Procurement Playbook. The Playbook offers data analysis and recommendations that can help maximize the economic impact of government spending in Maryland. Key findings include:

- Every year, federal, state, and local agencies collectively award over \$68 billion in Maryland via contracts to over 9,100 prime vendors. This spending represents 17.5% of State’s GDP (2022).
- More than half of all government spending in Maryland goes to the high-paying industries of professional services and IT.
- More than half of all government spending in Maryland comes from federal procurement, driven by the numerous federal offices, military installations, and research institutions located in the State. There are over 3,000 private sector firms based in Maryland that do business with the federal government.
- Almost half (46%) of prime federal contract awards designated for work to be performed in Maryland went to out-of-state firms. This “leakage” amounted

to roughly \$11.6 billion in federal spending in FY 2023.

Tremendous opportunity exists for Maryland to benefit from its large procurement economy, which is only expected to grow with historical levels of federal investments in climate, infrastructure, defense, and technology. To fully capitalize on the potential of procurement, the Playbook recommends that policymakers and industry leaders expand the scope of procurement from an administrative process into a business development strategy . Specific recommendations include:

1. Help Maryland businesses navigate the procurement economy, which consists of over 300 purchasers across local, state, and the federal government – each with their own regulations and policies.
2. Offer flexible financing programs that align with the business needs of government contractors.
3. Develop industry-specific opportunities for businesses to build relationships with each other and government purchasers.

This Playbook equips policymakers and partners with a roadmap for positioning Maryland businesses to capture a greater share of procurement dollars and boost economic growth in the state. We look forward to continuing to work on creating a more equitable, resilient, and prosperous state through stronger procurement partnerships!

Access the executive summary [here](#) and the full report [here](#).

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