

Q4

BOARD OF PUBLIC WORKS QUARTER 4 2023 SUMMARY



BY THE NUMBERS

The BPW met six times during Q4 2023 and took the following actions:

468 items approved

150 new contracts

318 modifications, renewals, grants, settlements

\$1.6 billion state expenditures

\$876 million new contracts

\$760 million modifications, renewals, grants, settlements

57 new prime contracts to certified small businesses

\$145 million new prime contracts to certified small businesses

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

29 new prime contracts to MBEs

\$97 million new prime contracts to MBEs

49 new contracts with MBE goals

17% 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.*

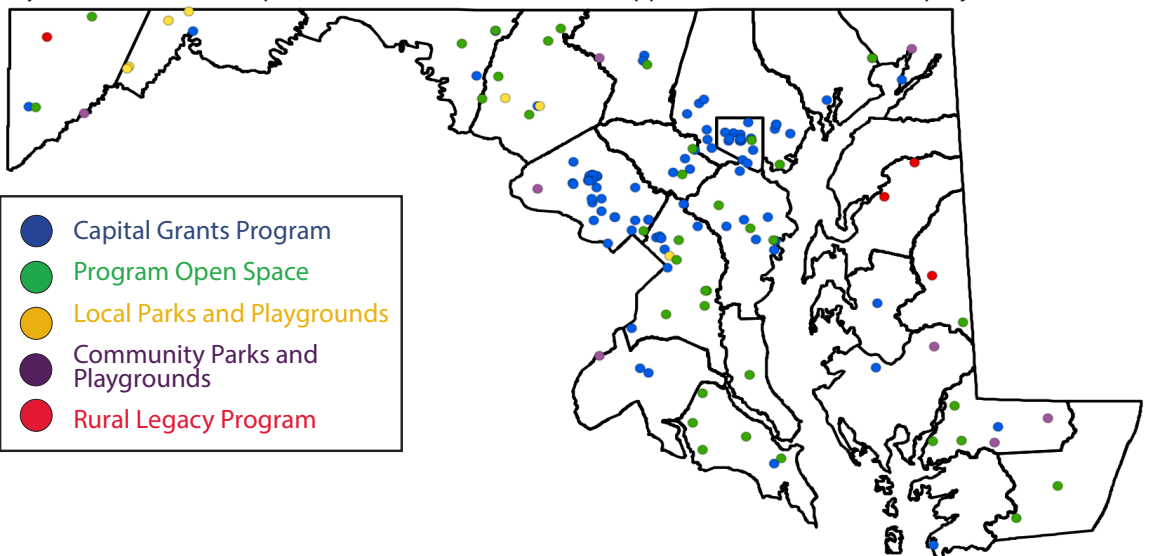
PLACE-BASED INVESTMENT PROGRAMS

The Capital Grants Program provides funding to local governments and nonprofits for projects such as community centers, health facilities, museums, and affordable housing. In Q4 2023, the BPW approved \$56 million for 86 projects.

Program Open Space preserves natural areas for public use and to protect watersheds and wildlife through land acquisition and conservation easements. Often, this land is used to expand existing public parks and create new parks. In Q4 2023, the BPW approved \$42.9 million for 37 projects.

Local Parks and Playgrounds Infrastructure Program restores and creates parks and green space systems. In Q4 2023, the BPW approved \$1.4 million for 7 projects. **Community Parks and Playgrounds** provides funding to Maryland's cities and towns to rehabilitate and build parks and playgrounds. In Q4 2023, the BPW approved \$1.4 million for 9 projects.

Rural Legacy Program preserves large, contiguous tracts of land to enhance natural resources, agricultural, forestry and environmental protection. In Q4 2023, the BPW approved \$2.6 million for 4 projects.



Brooke E. Lierman
Comptroller of Maryland

The Maryland Stadium Authority

The Maryland General Assembly created the Maryland Stadium Authority (MSA) in 1986 to select, acquire, construct, and operate sports stadiums and other facilities in Maryland. In 1987, the MSA chose Camden Yards as the site for baseball and football facilities which opened in 1992 and 1998, respectively.

The MSA issues tax-exempt bonds for financing its projects. Proceeds from the sale of MSA bonds and revenues collected or received from any other source are deposited in the revolving Maryland Stadium Authority Financing Fund.

In addition to stadium financing, construction and maintenance, MSA also issues revenue bonds to fund school construction projects. For example, they collaborate the Interagency Commission on School Construction to finance, procure, and build public schools through the 21st Century School Buildings Program

(Baltimore-specific) and the Built to Learn Act (statewide). Further, the MSA oversees demolition of blighted Baltimore City structures as part of “Project C.O.R.E.,” and operates and maintains convention centers, sporting sites, and other cultural entities across the state.

The MSA is an independent unit in the Executive Branch of the state government. It is led by its Board of Directors – nine members serving four-year terms. Although the MSA is generally exempt from state procurement law, the BPW provides oversight of their functions by approving financing plans for bond issuances, as well as contracts utilizing proceeds from bond issuances after these items have been approved by the MSA Board. For example, in Q4 2023, the BPW unanimously approved a lease agreement that MSA negotiated with the Baltimore Orioles, which keeps the team in Baltimore for at least the next 30 years.

Small Business Reserve Program

The Small Business Reserve (SBR) program was established in 2004 to increase opportunities for small businesses to participate in state procurement as prime contractors. The program created solicitations that are open only to SBR vendors, creating a marketplace for small businesses to compete against each other for state contracts rather than against larger, more established vendors.

Small businesses in Maryland certify through the state's eProcurement platform – eMaryland Marketplace Advantage (eMMA) – and complete an annual renewal. Eligibility criteria include gross sales and number of employees, which vary by industry. The uppermost limit across industry types is 100 employees. In Maryland, there are approximately 107,000 businesses with fewer than 100 employees, which represents 95% of all business establishments in the state.

State procurement law directs agencies to spend at least 15% of annual procurement dollars with SBR-certified firms. All state solicitations between \$50,000 and \$500,000 (about 20% of all open solicitations) are automatically designated for SBR vendors only, with a few exceptions.

In FY22, the state as a whole achieved just 7.7% procurement spending with SBR vendors – roughly half of the 15% participation goal. Statewide, enrollment in the SBR program declined by 13% from FY21 to FY22, a loss of 475 vendors. This enrollment loss was attributed to eMMA platform updates that disrupted SBR certification and recertification workflows.

Across 68 participating state agencies, the total amount of state procurement spending with SBR-certified vendors was \$432 million. The Maryland Motor Vehicle Administration (MVA) is one of 27 agencies that met or exceeded the SBR goal: they achieved 16.7% participation in FY22, representing \$7.2 million in SBR payments. In Q4 2023, the MVA awarded a range of contracts to SBR vendors, including HVAC and roof replacements, and bathroom renovations for branch locations.

Maryland's SBR program is an important tool for driving growth among small businesses, which are the backbone of the state economy. We need to look at strategies to achieve the 15% spending goal as a state, such as increasing the number of SBR certified businesses, better communicating with small businesses about the specialized products and services purchased by state agencies, increasing the number and types of procurements eligible for SBR designation, and providing more technical assistance to SBR-certified businesses in responding to solicitations.

In addition, we should look carefully at how we can better utilize state financing programs like the Maryland Small Business Financing Authority and the State Small Business Credit Initiative to help small business access the necessary capital to compete for government contracts and grow their businesses. In the Comptroller's Office, we recently hired a Small Business Director to serve as a resource for small companies and a point person for strengthening business development programs like the SBR.

Created in 1864, the Maryland Board of Public Works consists of the Governor, Comptroller, and Treasurer and has broad authority to approve or reject State expenditures and bond issuances. Through its actions, the BPW sets and oversees procurement policy for the State.