

Commission to Modernize State Procurement
June 22, 2016 2:00 p.m.
16 Francis Street, 4th Floor Conference Room, Annapolis, MD 21401

Commissioners in Attendance

Lieutenant Governor Boyd K. Rutherford

Susanne Brogan, *Deputy Treasurer, Maryland State Treasurer Office*

John Gontrum, *Assistant Comptroller, Comptroller of Maryland*

Marc Nicole, *Deputy Secretary, Maryland Department of Budget & Management*

Gail Bassette, *Secretary, Maryland Department of General Services*

Herb Jordan, *Deputy Special Secretary, Maryland Office of Minority Affairs*

Senator Stephen Waugh, *District 29, Member of the Education, Health and Environmental Affairs Committee*

Michael Zimmerman, *Director, Maryland Department of Transportation, Office of Procurement*

Delegate Christopher West, *District 42B, Member of the Health and Government Operations Committee*

Eric Regelin, *President, Granix, LLC.*

Sheila McDonald, Esq., *Executive Secretary, Maryland Board of Public Works*

Delegate Dan Morhaim, *District 11, Member of the Health and Government Operations Committee*

Ronald Lipford, *CEO, Arel Architects Inc.*

Eileen Straughan, *President, Straughan Environmental, Inc.*

Al Bullock, *Chief of Staff, Maryland Department of Information Technology*

Welcome

The Commission to Modernize State Procurement convened at 2:00 p.m. on June 22, 2016.

Lieutenant Governor Boyd K. Rutherford opened the meeting and welcomed the Commissioners and audience.

Approval of Minutes (June 2, 2016)

Lt. Governor asked whether there were any amendments to the minutes

- Eileen Straughan attended the June 2nd meeting.
- Marc Nicole had a couple of amendments to the minutes.
- The Workforce Workgroup met on June 1st.

Michael Zimmerman made a motion to accept the minutes of the June 2nd meeting with amendments. The motion was seconded. The motion was approved.

Report on second Regional Meeting (Catonsville, June 14)

The second public regional meeting was held on Tuesday, June 14, 2016, in Catonsville, MD.

The Lt. Governor stated that the Commission received a lot of input from the vendor community and the general public. The meeting was well attended and the architectural firms were well represented. The University System was in attendance, as well as Morgan State. They were able

to hear the comments and concerns of all the firms. We will post the minutes from the public hearing on our website.

The Lt. Governor noted that there was discussion on cooperative agreements. The concern is that some of the cooperative agreements have been in place for a number of years. We would like to make sure they're still the best price and value for the State. He asked executive department officials to investigate whether their agencies have cooperative agreements.

Progress Reports from Workgroup Co-Chairs

At the previous meeting, the Lt. Governor asked Workgroups to look at their structure and how we are doing procurement now.

Initiatives Workgroup:

Secretary Bassette said the Initiatives Workgroup last met on June 17th. Department of General Services (DGS) has 2 initiatives:

- Regional verses statewide contracts
 - The Committee decided that it will be the Procurement Officer's discretion after they have been properly trained. The concern is that small contracts would not fulfill the full scope for some of the statewide contracts and therefore not be able to compete.
- Expanding small procurement limits
 - DGS has reached out to NASPO and conducted a survey of other state small procurement corporate card thresholds. DGS also contacted Georgia, but as of this meeting, has not responded.
 - Considering the best practices for the State. The Committee suggests raising the procurement threshold from \$50,000 to \$100,000 for DGS construction. The committee also recommends continuing to advertise in eMaryland Marketplace over \$15,000 for not less than 5 days.

Herb Jordan noted three additional initiatives within the workgroup.

- Expand Small Business Reserve Program to all agencies
- Establish standards allowing State to obtain overall best value instead of only lowest price
- Streamline the certification process

They have not met since the last Commission meeting. At their next workgroup meeting, they plan on reviewing the following:

- Provisional Certification, in which a company is first certified, and then the 90 day review process begins
- Separating DBE and MBE Certifications

Delegate Dan Morhaim mentioned that the Blue Ribbon Commission just issued a draft report and a lot of the things Herb talked about are in the report. He suggested members to look at the draft. He wants to make sure we merge these things and make sure we are all aligned.

Workforce Workgroup:

Marc Nicole said the Workforce Workgroup last met on June 1st. The next meeting will take place on June 29th at 10:00 a.m.

The workgroup is in the process of having our Office of Personnel Services and Benefits look at state job classifications that include minimum qualifications. They have information now from Maryland Department of Transportation (MDOT) and all of the local governments. The workgroup is going to review next week.

Additionally the workgroup was able to attain a copy of a National Institute of Governmental Purchasing Survey Report on government procurement positions, which contains a lot of useful information. They also have received a lot of information from the surrounding states: Delaware, West Virginia, Virginia, Pennsylvania, District of Columbia and the federal government. The workgroup is going to look at that and the context of all the salaries to move forward and evaluate how Maryland compares and what we need to do.

The workgroup is finalizing with Department of Information Technology (DoIT) a mock up website of the eMaryland Marketplace. This is something the workgroup hopes to show the members of the workgroup next week. They hope to provide information regarding training documents, modules for the business community to look at and take training as well as training for state employees.

The workgroup is developing the statewide procurement procedures manual. That will be a big part of the next meeting. They are going to look at the best approach to create the manual, how to keep it updated, and how to maintain it on the workforce.

Efficiencies Workgroup:

Al Bullock said the Efficiencies Workgroup have three subgroups:

1. Commonality Subgroup
2. Technology Subgroup
3. Reducing Overhead Subgroup

We had our last workgroup meeting on June 17th and at that meeting, we went through the subgroup updates.

- Commonality Subgroup met on June 14th and they investigated A&E and Request for Proposal (RFP) templates and how these items can be more similar so vendors who participate in more than one type of procurement will not be facing a brand new form every time they deal with the State.

Question: The Lt. Governor asked if they are also bringing in the Assistant Attorney Generals to say what is needed regarding the provisions.

Answer: Right now the workgroup is utilizing DoIT's Assistant Attorney General and John Thornton. They are making sure are not violating any statutory requirement.

The Lt. Governor commented, "I'm also looking to see if any provisions can be eliminated." Al Bullock said, "We plan on looking into all of this at our next meeting."

Eileen commented, "In addition to the RFP response, there is a difference in the way each agency evaluates the overhead rate. This needs to also be looked at in terms of utilizing it and making it uniform. Engineers will be represented at the next public meeting."

- Technology Subgroup Update – DoIT hosted a 3 day showcase with Periscope (eMaryland Marketplace operator). They did a series of dimensions of the new versions and functionalities of the system. They have made a lot of sufficient improvements with the program.

The Technology Subgroup are scheduling meetings over the next couple of weeks with other companies that provide e-commerce/ eProcurement sites, to see what others have to offer.

- Reducing Overhead Subgroup Update – they're developing a matrix of the reports that are required on the states side as well as what is required by the vendors to be delivered when they are participating in a procurement. Once the matrix is complete the workgroup will be looking at what the underline foundation was for why those reports were created and try to determine that those needs are still needs and are they being met.

The Reducing Overhead Subgroup are looking at the reduction frivolous protest and they have been getting research from other states.

Questions/Concerns

The Lt. Governor asked the Committee, "Did anyone look at the structure of our procurement and our agencies, and who's buying what?"

Delegate Dan Morhaim discussed the importance of having a Chief Procurement Officer that could weave us together.

The Commission will host its next regional meeting on June 28, 2016, in Easton, MD, to receive input from the vendor community and the general public.

Public Comments

Recommendations to the Commission:

- Not to limit or eliminate cooperative purchasing

Meeting Adjourned at 3:11 p.m.