

Q1 BOARD OF PUBLIC WORKS QUARTER 1 | 2024 SUMMARY



Brooke E. Lierman
Comptroller of
Maryland

BY THE NUMBERS

The BPW met six times during Q1 2024 and took the following actions:

467

total items approved

117

new contracts



\$987 million

state expenditures

**\$2.5
billion**

total state expenditures

350

modifications, renewals,
grants, settlements



\$1.55 billion

state expenditures

39

new prime contracts
to certified small
businesses

\$85 million

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

22

new prime
contracts to MBEs

\$69 million

44

new contracts
with MBE goals

16.6%

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 Q1 2024, the BPW approved **\$194.7 million** for **123 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 Q1 2024, the BPW approved **\$47.2 million** for **35 projects**.

Local Parks and Playgrounds Infrastructure Program

restores and creates parks and green space systems.

In Q1 2024, the BPW approved **\$16.7 million** for **19 projects**.

Community Parks and Playgrounds

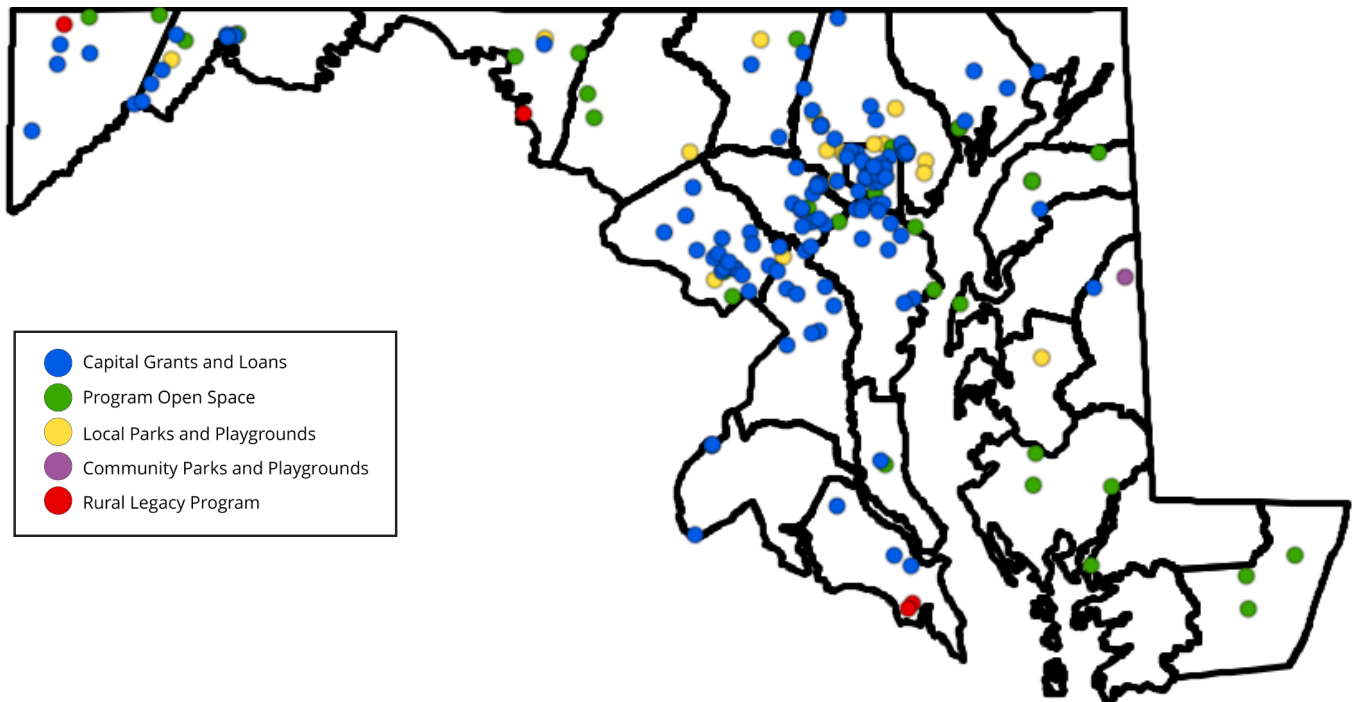
provides funding to Maryland's cities and towns to rehabilitate and build parks and playgrounds.

In Q1 2024, the BPW approved **\$196,000** for **1 project**.

Rural Legacy Program

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

In Q1 2024, the BPW approved **\$2 million** for **4 projects**.



BPW AT WORK

Capital Grants & Loans Program

The BPW's powers and duties include approving the expenditure of all general obligation (GO) bond funds. One way the BPW exercises this oversight power is by managing the state's [Capital Grants Program](#), which is funded by GO bond proceeds. Debt service for GO bonds – backed by the state's full faith and credit – are supported by the state's Annuity Bond Fund, whose largest revenue source is the State property tax.

The Board has delegated authority for the day-to-day administration of the Capital Grants Program to Maryland's Department of General Services (DGS). They ensure that the funds are spent solely for capital improvements.

The Capital Grants Program is the largest place-based investment program in the state. In 2023, the BPW approved \$297 million for 386 projects across 24 counties. The largest grants approved in 2023 were (1) \$13.3 million to Howard Community College for the demolition of the existing Athletic and Fitness Center and construction of two new buildings; (2) \$11 million to the Board of Trustees of The Johns Hopkins Hospital for the construction and equipping of a new medical research building in Baltimore City; and (3) \$7.5 million to the Board of Directors of the Waterfront Management Authority for the construction and equipping of the Inner Harbor Promenade in Baltimore City.

In Q1 (January – March) 2024, the Board approved \$194.7 million for projects throughout the State – representing over 65% of last year's total spend. Significant projects from Q1 include: (1) \$12 million to Howard County for the construction of the Extended North Tunnel to protect Ellicott City from future large storms; (2) \$63.4 million to Montgomery County for the construction of a bus rapid transit project; (3) \$17.4 million to Prince George's

Community College to renovate Marlboro Hall and construct an addition to create a 214,500 gross sq. ft. facility including classrooms, laboratories, offices, tutoring spaces, study halls, department libraries, work rooms, and meeting rooms.

Projects eligible to receive funding must be (1) capital in nature, (2) serve a public purpose, and (3) not serve a religious purpose. Additionally, the property on which the project is located must either be owned outright or leased for at least 15-years by the prospective grantee to ensure that the project has a useful life of at least 15-years.

Funding for a capital grant may be requested as a [Legislative Bond Initiative](#) (sponsored by a State Senator or Delegate) or included as an Administration Initiative in the Governor's capital budget during the 90-day Legislative Session of the [Maryland General Assembly](#), which occurs between January and April of each year. On or around June 1, following the conclusion of the Legislative Session, DGS notifies those applicants whose capital projects were approved by the legislature and assigns each a Regional Grants Administrator for administrative support. Once awardees complete required paperwork, which includes review by the Maryland Historic Trust, DGS submits an agenda item to the BPW requesting approval to execute the grant agreement. Following the full execution of the grant agreement, DGS works with the grantee to release funding for [eligible expenses](#), which is done on a reimbursement basis.

DGS publishes a variety of resources, including a [program booklet](#), [virtual workshop](#), and [process chart](#) to help prospective grantees determine if this program is a good fit for their organization and guide grantees through the process.

POLICY CORNER

Single Bids

To act as a prudent steward of taxpayer dollars, the BPW must ensure that the State receives the best value available for the goods and services that are procured. One way to do this is to ensure fair competition whenever possible.

At times, the Board is asked to award contracts resulting from a single bid or proposal received. A single bid/proposal contract occurs when a competitive solicitation is advertised and either (1) receives a response from a single offeror/firm, or (2) following an evaluation of responses, it is determined that (based on the criteria of the solicitation) only a single offeror/firm is capable of being awarded the contract.

According to last year's [Procurement Report](#), published by the BPW's Procurement Advisor, the number of awards resulting from a single bid or proposal increased to the highest annual amount in the past decade. In FY2023 (July 1, 2022 – June 30, 2023), the BPW approved 74 contract awards that resulted from a single bid/proposal, representing an increase of nearly 30% compared to the FY 2022 total.

Examples of BPW-approved single bid/proposal items from Q1 (January – March) 2024 include (1) a one-year, \$2 million contract from the Maryland Environmental Service to construct upgrades to the water

treatment plant at Swallow Falls State Park in Garrett County; (2) a 14-month, \$5 million contract from the Maryland Transit Administration to install a fall protection system for the Wheel Truing Pit and construct other upgrades at the Metro Wabash Shop; and (3) a five-year, \$31.3 million contract from the Maryland Department of Health for accounting, auditing, and consulting services of health care providers.

Contract awards resulting from a single bid or proposal can be a detriment to the procurement system in comparison to multiple bids, as increased competition can lead to lower market prices while also supporting efficiency, innovation, and quality in public goods and services. It is imperative that the Board continue underscoring the importance of fostering a competitive procurement ecosystem. The Board's Procurement Advisor and General Counsel both continue to work diligently to ensure agencies utilize best practices in order to maximize competition, including: advertising solicitations with ample time necessary for evaluations and award, writing specifications to make sure they are not overly restrictive and encouraging direct solicitation notices and notifications in forums in addition to posting on *eMaryland Marketplace*.

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