

News Release

Comptroller Lierman Releases Maryland Procurement Playbook

Research by Drexel University highlights opportunities and challenges for Maryland-based businesses in competition for procurement dollars

ANNAPOLIS, Md. (June 6, 2024) — Comptroller Brooke E. Lierman today released the Maryland Procurement Playbook, a study produced by the [Nowak Metro Finance Lab at Drexel University](#) that provides a comprehensive assessment of federal, state, and local government procurement activity in Maryland.

The playbook is the first analysis of current procurement spending and contracts to better understand the size of Maryland's procurement economy, evaluate the support systems in place to help firms access and navigate government procurement contracts, and develop strategies to support the growth and success of Maryland-based firms.

“The procurement economy is more than 17 percent of our state’s GDP and is a significant source of economic opportunity for our state,” Comptroller Lierman said. “This playbook will help inform policies and support innovative actions to strengthen our procurement ecosystem while empowering more Maryland-based firms – especially small and minority-owned businesses – to capture a greater share of contracting opportunities and keep those dollars here in Maryland.”

Maryland Procurement Playbook High-Level Findings

- Federal, state, and local agencies collectively award at least \$68 billion in government contracts in Maryland per year.
- The Department of Defense is the largest federal purchaser in Maryland, spending \$14 billion annually in Maryland, with 29 military facilities in the region.
- Nearly half of Maryland’s annual federal, state, and local procurement spending is concentrated in Professional Services and IT, driving substantial employment and R&D investments within the state.
- A significant portion of public procurement spending designated for in-state performance is awarded to non-Maryland firms.

- Maryland has significant spending concentrated in Professional Services and IT. At both the federal and state level, over half of the spending goes to Computer Systems Design, A&E Services, Management Consulting, and other IT and Professional Services.
- Baltimore City, Baltimore County, Montgomery County, and Prince George's County host a significant number of firms participating in federal procurement.

Challenges for Maryland Firms

- **Complexity of Procurement Landscape:** Hundreds of government entities operate under varying regulations, creating a fragmented system.
- **Limited Support for Diverse Firms:** Minority Business Enterprises (MBEs) face particular challenges in accessing resources and opportunities.
- **Untapped Potential in High-Growth Sectors:** Despite Maryland's strengths in Professional Services and IT, many related contracts go to out-of-state firms.

“The U.S. is undergoing a profound industrial transition, catalyzed by federal investments in manufacturing, defense, energy, and infrastructure. This economic transition demands that every state understand its special position and how to lever public spending,” explained **Bruce Katz, director of the Nowak Metro Finance Lab at Drexel University** and co-author of the study. “The Maryland Procurement Playbook digs deeply into how federal, state and local spending can align with these priorities and showcases opportunities for Maryland to invest in firms and localize supply chains to the benefit of all residents. This new information and recommendations will support policymakers in creating a strong data-driven foundation for Maryland to make the most of this economic moment. I want to commend the Comptroller’s Office for prioritizing this important initiative.”

Key Recommendations:

The playbook outlines several recommendations for strengthening the procurement economy in Maryland, including:

- Developing targeted programs to equip businesses with the skills and resources needed to compete for contracts.
- Creating a Navigable Ecosystem of buyer support organizations, and Maryland firms to foster new customer relationships and business partnerships.
- Addressing regulatory and ecosystem barriers hindering Maryland businesses in Professional Services and IT sectors.
- Incorporating perspectives of local firms and minority business enterprises (MBEs) in assessing and enhancing procurement policies and procedures.

The Nowak Metro Finance Lab at Drexel University developed the playbook in coordination with the Office of the Comptroller, the Moore-Miller administration, and the Office of the Treasurer. Research for the Maryland Procurement Playbook was funded by the Abell Foundation, Annie E. Casey Foundation, BGE, CareFirst, Johns Hopkins University, JPMorgan Chase & Co., and T. Rowe Price.

[Read the Full Procurement Economy Report.](#)

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