

**SUPPLEMENT B
DEPARTMENT OF BUDGET AND MANAGEMENT
ACTION AGENDA**

SERVICE CONTRACT

ITEM: 1-S **Agency Contact:** Jamie Tomaszewski
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DEPARTMENT/PROGRAM: Budget and Management (DBM)
Office of Personnel Services and Benefits (OPSB)
Recruitment & Examination Division

CONTRACT ID: The Baltimore Sun Recruiting/Advertising Services
ADPICS No. 050B1400027

CONTRACT DESCRIPTION: Statewide contract to provide job recruiting and
advertising services at a discounted group rate.

AWARD: The Baltimore Sun
Baltimore, MD

TERM: 3/1/2011 – 2/29/2012

AMOUNT: \$350,000 NTE (1 Year)

PROCUREMENT METHOD: Sole Source

BIDS OR PROPOSALS: N/A

MBE PARTICIPATION: None (See Requesting Agency Remarks below)

PERFORMANCE SECURITY: None

INCUMBENT: Same

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ITEM: 1-S (Cont.)

REQUESTING AGENCY REMARKS: Request for approval of a Sole Source contract with The Baltimore Sun newspaper (The Sun) to provide job recruiting and advertising at a discounted group rate for all State agencies. This group rate is established under the presumption that all State agencies collectively will place at least \$75,000 worth of job recruiting advertising during the one-year period. This contract allows the State to obtain the lowest available pricing, a 25% reduction from the open rate, to run advertisements in The Sun. This group rate remains the same for this contract as the previous contract; however, the sizes of the advertisements have increased for this contract (i.e. the “half page” ad is the size of last year’s “full page” ad and the “full page” ad size is even larger). Therefore, the State is getting more advertising space for the same price.

The sole source procurement method was chosen rather than a competitive procurement because The Baltimore Sun is the only general daily newspaper with Sunday and Wednesday advertising that is distributed throughout the entire Baltimore metropolitan area.

Historically, the advertising purchases by individual State agencies have varied over the years with some agencies paying much higher rates than other agencies. Some agencies only advertise once a year while other agencies advertise once a month. When combined over a year period, the State agencies’ advertising purchases have well exceeded the \$75,000 minimum threshold level, as further discussed below. Therefore, this contract is requesting \$350,000 in order to meet the needs of all of the State agencies combined for the one-year period.

As part of the advertising package, The Sun has a free daily newspaper called “b” that will have the full job recruiting advertisement insert from the Sunday Sun included in the “b” Monday edition.

Additionally, this contract provides an option of purchasing a corresponding job video to be posted on BaltimoreSun.com to reach potential job candidates through the internet for a 30-day period. This optional purchase will count towards reaching the minimum \$75,000 spending level.

If by the end of the contract period State agencies collectively have failed to place the minimum annual agreement rate of \$75,000 worth of recruiting/advertising, the Contractor may submit a single supplemental invoice to each State agency that ran an advertisement during the Contract term for short-fall billing. This short-fall billing may be up to the 25% discount that was initially taken from the established rates, as mentioned above. However, based upon the usage by State

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ITEM: 1-S (Cont.)

agencies of the current contract, there will be no problem reaching the \$75,000 minimum annual agreement rate. The State usage has almost reached \$300,000 in only 11 months on the current contract. The total not-to-exceed contract amount was increased to \$350,000 with the current contract to ensure coverage of the State's usage for the full year and will remain the same for this new contract award.

By establishing this statewide contract with the Baltimore Sun, over \$75,000 in savings was realized because individual agencies were not being charged the open rate for job recruitment advertising. Even with the reductions in State job positions, the State continues to hire people each month just to maintain the core functions of the State. Also, creating a statewide contract for advertising provides an additional level of transparency in State government showing that the small purchases among the agencies do add up. Without this contract not only would agencies be spending more money at higher rates for advertising, but the State would not readily see how much money is being spent throughout the State on advertising.

Because these services are for purchasing advertising space in The Sun newspaper only, there are no subcontracting opportunities, thus there is no MBE participation goal.

FUND SOURCE:	Various
APPROP. CODE:	Various
RESIDENT BUSINESS:	Yes
MD TAX CLEARANCE:	11-0037-1111

Board of Public Works Action - The above referenced Item was:

APPROVED	DISAPPROVED	DEFERRED	WITHDRAWN
WITH DISCUSSION		WITHOUT DISCUSSION	