

Supplement B
Department of Budget and Management
ACTION AGENDA
February 8, 2017



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3-S. DEPARTMENT OF BUDGET AND MANAGEMENT
Office of Personnel Services and Benefits/Recruitment & Examination Division
Services Contract

Contract ID: The Baltimore Sun Recruiting/Advertising Services; ADPICS # 050B7400007

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

Award: The Baltimore Sun Company, LLC
Wilmington, DE
(Local Office in Baltimore, MD)

Term: 3/1/2017 – 2/28/2018

Amount: \$400,000 NTE (1 Year)

Procurement Method: Sole Source

MBE Participation: None (Single Element of Work)

Performance Security: None

Incumbent: Same

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 contract. This contract allows the State to obtain the lowest available pricing, a 25% reduction from the open rate, to run advertisements in The Sun. The open rates at The Sun for 2017 remain the same since 2014.

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.

As part of the advertising package, if Agencies purchase multiple days of advertising, i.e. Sunday and Wednesday, there is an additional discount on each advertisement of 10% for two days, 15% for three days, and 25% for four days. In addition, at the option of the Agencies, a 30-day online job posting with Careerbuilder.com may be purchased at a 25% discounted rate when bundled with a print advertising purchase.

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Historically, the advertising purchases by individual State agencies have varied 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 per year, as further discussed below. Therefore, this contract is requesting \$400,000 in order to meet the needs of all of the State agencies combined for the one-year period.

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 agencies of the current contract, there will be no problem reaching the \$75,000 minimum annual agreement rate

The total not-to-exceed contract amount of \$400,000 will ensure coverage of the State's usage for the full year, taking into consideration the advertising rates for 2017 and the optional features that include bundling a 30-day online job posting.

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 print or on-line advertising space only, there are no subcontracting opportunities, thus there are no MBE or VSBE participation goals.

This contract is available for use by any agency of the State of Maryland, including the judicial and legislative branches. In addition, all local governments and qualifying not-for-profit organizations in Maryland are permitted to use the contract to be awarded under this item at the same prices and levels of service as for State agencies.

NOTE: Whereas usage of these contracts by non-State of Maryland agencies is to be tracked and reported by the contractor, the requested contract approval amount listed on this Item is for State agency usage only.

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3-S. DEPARTMENT OF BUDGET AND MANAGEMENT (cont'd)

Fund Source: Various

Appropriation Code: Various

Resident Business: Yes

MD Tax Clearance: 17-0216-1110

BOARD OF PUBLIC WORKS ACTION – THIS ITEM WAS:

APPROVED

DISAPPROVED

DEFERRED

WITHDRAWN

WITH DISCUSSION

WITHOUT DISCUSSION