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TV WORTH
WATCHING

PROCUREMENT OFFICER'S DETERMINATION

DATE: 9/6/2022

TO: Michael Zimmerman CMPO, CPSM, C.P.M.
Chief Procurement Officer
Office of State Procurement

FROM: Daniel J Guthrie
MPT Procurement Director

SUBJECT: Request to Approve Intergovernmental Cooperative Purchasing Agreement

RE: Intergovernmental Cooperative Purchasing Agreement (ICPA): RFP R02359
Membership and Gift Processing Services for WQPT

COST: \$5,709,562

In accordance with COMAR 21.05.09.05, approval is requested for an agency specific contract to Contributor Development Partnership, (CDP) based on the awarded contract by Western Illinois University (WUI) RFP R02359 Membership and Gift Processing Services for WQPT, a PBS station.

In accordance with COMAR 21.05.09.03B: "A primary procurement unit may purchase its requirements from another government entity's contract if that contract is an Intergovernmental cooperative purchasing agreement and is available for use by the primary Procurement unit." Before using another entity's ICPA, however, procurement officers need to obtain approval of the primary procurement unit head pursuant to COMAR 21.05.09.05 after making a determination pursuant to COMAR 21.05.09.04. This memorandum both lays out the determination for using the ICPA and provides a means for approval of the use of the ICPA.

The MPT requested ICPA contract was awarded by WUI on 4/1/22 to the Contributor Development Partnership (CDP) for (48) months with (2) two options to renew.
MPT currently has an existing ICPA awarded to WGBH Educational Foundation(CDP) at the October 3,2018 BPW Item 3-IT in the amount of \$5,761,504 for (48) months.

MPT is requesting OSP approval to use the services offered under the recently awarded WUI contract. Approval for use of this ICPA will continue to provide the needed professional marketing and fundraising services required by MPT.

The process to directly solicit contracts for all of the professional services under the ICPA would take MPT a significantly longer period of time to procure and have an increase in cost than participating in the ICPA.

Additionally, participating in the ICPA fosters administrative efficiencies and provides cost benefits to the State. The State of Maryland and MPT will benefit by continuing to use CDP's fundraising programs and services.

CDP, was created by the Corporation for Public Broadcasting and WGBH in Boston. WGBH is the largest PBS member station, and has worked in a cooperative effort to identify, disseminate, and create the most effective local fundraising practices for public television and radio stations.

CDP developed and has continued to enhance the Member Service Bureau, (MSB) which provides comprehensive fundraising services with an approach that includes multiples services such as, database management, direct mail marketing, telemarketing, and membership and gift processing services.

CDP uses the most advanced fundraising technology that is specifically designed for public television.

CDP is able to use economies of scale and best practices to bolster fundraising and database services at the lowest possible cost. CDP currently provides fundraising, database services to 40 PBS stations and manages over 1,000,000 active donor relationships.

These economies of scale and cost savings for fundraising services cannot be obtained by any one individual PBS station.

WUI's recently awarded contract with CDP provides for all of the above-mentioned services and offers additional fundraising services that are available to MPT, such as donor portals.

The ICPA contract with CDP will include these services:

- member database system, database tech fees
- database licenses
- marketing services - direct mail, emails
- postage, printing and production costs
- donor portal
- texting, online donation forms, Digital ad buys, thank you calls
- tableau reports licenses
- Future emerging products and services

MPT's Membership revenue has seen tremendous growth from using the current ICPA with CDP.

Over the past four years' MPT's revenue has increased by over 26%, increasing from \$3.9 million in January 2019 to over \$5 million in January 2022.

Digital gross revenue has grown by 60%, increasing from nearly \$842,000 in January 2019 to over \$1.3 million in January 2022.

The number of active members has grown by over 23%, increasing from 57,170 members in FY 2018 to 70,084 members in FY 2021.

The overall member retention rate has increased from 62.1% in November 2017 to 68.0% in November 2021.

The percentage of new members acquired via MPT Passport has increased from 0.6% in November 2017 to 35.4% in November 2021.

The percentage of members who give automatic monthly contributions has increased from 25.4% in November 2017 to 36.3% in November 2021.

Cost Analysis:

The following chart demonstrates actual cost for CDP services, and the revenue achieved from the past four years, as well as the projected cost and projected revenues forecast for the next four years.

The current ICPA contract with CDP was approved by the BPW for \$5,761,504 as the projected cost for CDP services. Actual cost with the current ICPA contract with CDP were less than projected and less than the approved amount.

The projected unit and yearly cost for the requested ICPA with CDP have been reviewed, and found to be fair and reasonable.

Current ICPA/CDP	CDP Costs	Actual Revenue	Requested ICPA/CDP	Projected Cost	Projected Revenue
Year 2019	\$275,387	\$6,245,077	Year 2023	\$696,289	\$8,041,000
Year 2020	\$1,381,243	\$9,176,605	Year 2024	\$1,671,091	\$8,100,000
Year 2021	\$1,752,271	\$8,000,379	Year 2025	\$1,671,091	\$8,200,000
Year 2022	\$1,490,600	\$8,197,996	Year 2026	\$1,671,091	\$8,300,000
TOTAL	\$4,899,501	\$24,420,057	TOTAL	\$5,709,562	\$32,641,000

The current ICPA contract with CDP has proven over the past four-year term, to have delivered cost savings, economies of scale and greater efficiency for fundraising services as well as increased revenues and an increase in members for MPT.

Fundraising services are vital to MPT's operations and capabilities to provide quality programs and services to the citizens of Maryland.


With the continued services of CDP, MPT hopes to continue to grow membership to 80,000 and above.

Moreover, participating in the ICPA is not intended as a means to evade the purposes set forth under COMAR 21.01.01.03.

Therefore, based on COMAR 21.05.09.05, approval is requested to issue an agency specific contract for MPT based on the ICPA, RFP R02359 Membership and Gift Processing Services for WQPT.

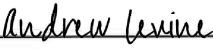
Determination Reviewed/Approved by:

Procurement Director:

DocuSigned by:

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Daniel J Guthrie, CPPB, CMPO

9/6/2022 | 3:03 PM EDT
Date

Reviewed for Legal Sufficiency:

DocuSigned by:

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Andrew Levine, Assistant Attorney General


9/6/2022 | 3:32 PM EDT
Date

Agency Head:

DocuSigned by:

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Larry D. Unger, President and CEO

9/6/2022 | 1:13 PM PDT
Date


Michael Zimmerman CMPO, CPSM, C.P.M.
Chief Procurement Officer
Office of State Procurement

Sep 8, 2022
Date