



Wes Moore, Governor · Aruna Miller, Lt. Governor · Atif Chaudhry, Acting Secretary

**Intergovernmental Cooperative Purchasing Agreement Procurement Officer
Determination
COMAR 21.05.09.04**

Per COMAR 21.05.09.02, as a Primary Procurement Unit, the DGS Office of State Procurement (OSP) may initially sponsor or participate in, renew, modify, or administer an Intergovernmental Cooperative Purchasing Agreement (ICPA) on its own behalf or on behalf of another agency when a determination is made under SFP §13-110 and COMAR 21.05.09.04.

In accordance with State Procurement Regulations, COMAR 21.05.09.05 The Maryland State Department of Labor, Division of Family and Medical Leave Insurance (MD FMLI), seeks to execute a Participating Addendum ("Participating Addendum") under the U. S. General Services Administration (GSA) Multiple Award Schedule (MAS) 54151S. The GSA Multiple Award Schedule is open to State and local governments defined at 40 U.S.C. 502(c)(3), including educational institutions such as public schools, colleges, and universities.

The FMLI Division is required to provide over 180,000 employers in the state of Maryland with digital tools necessary for registering and submitting wage reports by October 1, 2025. Starting July 1, 2026, the division is required to have the tools needed for the public to submit claims and for staff to process and pay out those claims.

Any delay in securing vendor support for the digital systems of this program would impact the ability of the State to provide this critical benefit promptly and would negatively impact over 180,000 businesses and 2.7 million workers in the state. Further delays in starting the program would also lead to a significant impact on the state budget and general funds by delaying the transition of the program to special funds. This ICPA will provide a compliant, competitive, and advantageous expedient procurement pathway that aligns with the State's guidelines, allowing staff to meet operational needs without delay.

On July 9, 2024, the department directly solicited six (6) vendors currently on eMaryland Marketplace Advantage and under the GSA MAS 54151S for proposals and pricing. Five (5) of the vendors submitted proposals on 7/19/2024 prior to the deadline. The evaluation committee reviewed the technical proposal for all five of the vendors. In making this most advantageous Proposal determination, technical factors will receive greater weight over financial factors. One vendor did not meet the minimum qualification. The panel ranked the technical proposal prior to reviewing the financial proposal. One of the remaining four vendors modified the financial proposal not adhering to the financial proposal instructions. This vendor pricing was omitted from the

ranking of the financial proposal. The remaining three vendors' proposals were ranked for financial proposal. Two vendors were selected as the most advantageous to the state based considering price and evaluation factors set forth in the RFP.

Nava PBC brings exceptional qualifications and experience from their work supporting the Massachusetts Paid Family Medical Leave program. They also bring key personnel that have skills that are directly aligned with the needs of the state as well as strong human centered design and research practices that will help ensure that the program's digital systems are meeting the needs of their users. The experience Nava brings to the State will help ensure that FAMLI is able to meet the tight legislative timelines while also building systems that are user-informed and accessible to the Marylanders who need access to them.

Fearless LLC is a State of Maryland Minority Business Enterprise (MBE) with over fifteen (15) years of experience delivering large scale technical solutions for the federal government. Being a Maryland business, they bring with them a wealth of community partners to help support user research needs. They also bring strong MBE and Maryland Veteran Small Business Enterprise (VSBE) partners which will help ensure that FAMLI is building the best possible system for the state while also supporting our local MBE and VSBE businesses.

One of the benefits of using contractors from GSA MAS is the assurance that the established ceiling rates are not to be exceeded and the available additional vendor discounts. The competitive nature of the streamlined process we conducted with the GSA MAS vendors led to additional discounts from their GSA Schedule Rates. The rates from the vendors selected were 16.56% and 8.36% lower than standard GSA MAS Rates for Nava and Fearless respectively.

NAVA GSA MAS rate total for all Labor Categories	NAVA FAMLI rate total for all Labor Categories	Fearless GSA MAS rate total for all Labor Categories	Fearless FAMLI rate total for all Labor Categories
\$7,246.21	\$6,046.42	\$5,933.62	\$5,437.85
Discount by labor category from GSA MAS	16.56% less	Discount by labor category from GSA MAS	8.36% less

The use of this ICPA procurement method is determined to be in the best interest of the State. This due diligence process in combination with the State's due diligence procedures provides an extra level of assurance that the quality of services procured through this contract will be at the standard needed to deliver the FAMLI systems.

The State performed market research to select the best contract to leverage for securing a vendor. Four ICPA-eligible contracts were considered. Per COMAR 21.05.09.04, it is determined that this Participating Addendum will provide cost benefits to the State; and will promote administrative efficiencies and intergovernmental cooperation.

In addition, participating in the ICPA allows the department to leverage the existing GSA contract(s) that have already undergone national competitive bidding, ensuring a highly competitive price that has been determined fair and reasonable pricing based on factors that include competitor contracts, historical prices, current prices from other sources, and corporate benchmarks.

I have conducted an independent analysis and determined that it is in the best interest of the State to participate in this intergovernmental cooperative purchasing agreement, that doing so will provide cost benefits to the State, promote administrative efficiencies, or promote intergovernmental cooperation, and is not intended as a means to evade the purposes set forth under COMAR.

Approved By:



09/12/2024

Luz Morales, Procurement Officer, DGS Date



[Linda Dangerfield \(Sep 12, 2024 13:08 EDT\)](#)

09/12/2024

Linda Dangerfield, Deputy Chief Procurement Officer, DGS Date



09/09/2024

Atif Chaudhry, Secretary, DGS Date

Date: 8/28/2024

To: Wallace Sermons, Chief Procurement Officer, Office of State Procurement - Department of General Services

From: Raelene Glasgow, Chief of Procurement - MD LABOR

SUBJECT: *Procurement Officer's Determination for use of Intergovernmental Cooperative Purchasing Agreement (ICPA) Per Code of Maryland Regulations (COMAR) 21.05.09.04 – U. S. General Services Administration (GSA) Multiple Award Schedule (MAS) 54151S. Contractor Services, Human-Centered Service Design, and Agile Web Development Services.*

The Maryland State Department of Labor, Division of Family and Medical Leave Insurance (MD FAMLII), seeks to execute a Participating Addendum ("Participating Addendum") under the U. S. General Services Administration (GSA) Multiple Award Schedule (MAS) 54151S. The GSA Multiple Award Schedule is open to State and local governments defined at 40 U.S.C. 502(c)(3), including educational institutions such as public schools, colleges, and universities.

Name and Address of Selected Contractors: Fearless, LLC

8 Market Place, Suite 200

Baltimore, MD 21202

GSA MAS contract number:

GS-35F-115GA

Nava Public Benefit Corporation

1445 New York Ave NW, Suite 300

Washington, DC 20005

GSA MAS contract number:

47QTCA18D008M

Contract Term: November 1, 2024 – October 31, 2026

Renewal Options: Two (2) additional one (1) year periods through October 31, 2028.

Amount: \$31,200,000.00 (not to exceed) 2-year base term

\$15,600,000.00 (first year option)

\$15,600,000.00 (second-year option)

\$62,400,000.00 (Total)

Category: Information Technology Services

Contract Type: Firm Fixed Price

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Background and Purpose

The FAMLI Division requested informal proposals from six (6) vendors on the GAS MAS 54151S, also registered vendors of the State of Maryland. The department received five (5) submissions in response to the Request for Proposals. The department evaluated the proposals and selected two of the most advantageous to the State, considering the price and basis for the award outlined in this RFP (see COMAR 21.05.03.03F), for providing the goods and services specified in this RFP.

The FAMLI Division is required to provide over 180,000 employers in the State of Maryland with digital tools necessary for registering and submitting wage reports by October 1, 2025. Starting July 1, 2026, the division is required to have the tools needed for the public to submit claims and for staff to process and pay out those claims.

Any delay in securing vendor support for the digital systems of this program would impact the ability of the State to provide this critical benefit promptly and would negatively impact over 180,000 businesses and 2.7 million workers in the state. Further delays in starting the program would also lead to a significant impact on the State's budget and general funds by delaying the transition of the program to special funds. This ICPA will provide a compliant, competitive, and advantageous expedient procurement pathway that aligns with the State's guidelines, allowing staff to meet operational needs without delay.

Basis for Selection:

On July 09, 2024, the department directly solicited six (6) vendors currently on eMaryland Marketplace Advantage and under the GSA MAS 54151S for proposals and pricing. Five (5) vendors submitted proposals on 7/19/2024 before the deadline. The evaluation committee reviewed the technical proposal for all five of the vendors. In making this most advantageous proposal determination, technical factors will receive greater weight over financial factors. One vendor did not meet the minimum qualification. The panel ranked the technical proposal before reviewing the financial proposal. One of the remaining four vendors modified the financial proposal, not adhering to the financial proposal instructions. That vendor's financial proposal was disqualified. The remaining three vendors' financial proposals were ranked. Two vendors were selected as the most advantageous to the state considering price and evaluation factors outlined in the RFP.

Nava PBC brings exceptional qualifications and experience from their work supporting the Massachusetts Paid Family Medical Leave program. They also bring key personnel who have skills that are directly aligned with the needs of the state as well as strong human-centered design and research practices that will help ensure that the program's digital systems are meeting the needs of their users. The experience Nava brings to the State will help ensure that FAMLI can meet the tight legislative timelines while also building systems that are user-informed and accessible to the Marylanders who need access to them.

Fearless LLC is a State of Maryland Minority Business Enterprise (MBE) with over fifteen (15) years of experience delivering large-scale technical solutions for the federal government. Being a Maryland business, they bring a wealth of community partners to help support user research needs. They also bring strong MBE and Maryland Veteran Small Business Enterprise (VSBE) partners which will help ensure that FAMLI is building the best possible system for the State while supporting our local MBE and VSBE businesses.

The ICPA procurement method reduces the period between need determination and delivery of the

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solutions; will ensure transparency to the citizens of Maryland; and will reduce the administrative burden of the Department of Labor. Per COMAR 21.05.09.04, it is determined that this Participating Addendum will provide cost benefits to the State; and will promote administrative efficiencies and intergovernmental cooperation.

In addition, participating in the ICPA allows the department to leverage the existing GSA contract(s) that have already undergone national competitive bidding, ensuring a highly competitive price that has been determined fair and reasonable pricing based on factors that include competitor contracts, historical prices, current prices from other sources, and corporate benchmarks.

Pricing Justification

One of the benefits of using contractors from GSA MAS is the assurance that the established ceiling rates are not to be exceeded and the available additional vendor discounts. The competitive nature of the streamlined process we conducted with the GSA MAS vendors led to additional discounts from their GSA Schedule Rates. The rates from the vendors selected were 16.56% and 8.36% lower than standard GSA MAS Rates for Nava and Fearless respectively.

NAVA GSA MAS rate total for all Labor Categories	NAVA FAMLI rate total for all Labor Categories	Fearless GSA MAS rate total for all Labor Categories	Fearless FAMLI rate total for all Labor Categories
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Note that the above 'rate total for all labor categories' is not the same as the base fixed rate for these contracts. Base fixed rates were determined by averaging the costs of 3 types of teams that represented reasonable blends from the larger set of labor categories. The inclusion of the full list of labor categories was how vendors were able to show how they derived their base fixed rate for the contract and is where discounted pricing was indicated.

The use of this ICPA procurement method is determined to be in the best interest of the State. This due diligence process in combination with the State's due diligence procedures provides an extra level of assurance that the quality of services procured through this contract will be at the standard needed to deliver the FAMLI systems.

The State performed due diligence market research to select the best contract to leverage for securing a vendor. Four ICPA-eligible contracts were considered.

1. Region 4 ESC/OMNIA Partners, Public Sector, Human Capital Management and Managed Business Solutions, Contract # R200701
2. MNSITE (Minnesota Seeking IT Expertise)

3. Michigan Department of Technology, Management & Budget, Seeking Human-Centered Design Services - Pre-Qual
4. GSA MAS 54151S

Options 1 had no appropriate services for this contract.

Options 2 and 3 each have a limited pool of vendors to select from who may meet the minimum qualifications whereas options 4 had over 100 each. GSA MAS 54151S was determined to have the largest number of qualified vendors and provided the most opportunity for price comparison. This secondary comparison ensured that this procurement is providing the best possible value for the State.

In combination with the State's due diligence, leveraging GSA MAS provides an added level of review to ensure that we secured the best possible value for the State. GSA's Contracting Officers have performed the due diligence required to assure that all Multiple Award Schedule companies:

- Have adequate financial resources to perform the work anticipated
- Can meet the delivery or performance requirements
- Have a satisfactory performance record
- Have a satisfactory record of integrity and business ethics
- Have the corporate facilities, resources, equipment, skills, and controls to do the work
- Are qualified and eligible to receive a contract award under federal laws and regulations
- Have demonstrated corporate experience, past performance, and quality control.

Further, GSA's Contracting officers go through a vetting and due diligence process with GSA Schedule vendors to ensure hourly rates for services are fair and reasonable for the labor categories. They determine fair and reasonable pricing by looking at competitor contracts, historical prices, current prices from other sources, and corporate benchmarks. This level of due diligence in negotiating the labor categories in their multiple award schedules program, along with the allowance for streamlined ordering procedures, is one of the primary reasons for using GSA Schedules vs. other competition methods.

If the department issued a new RFP to procure these services, the Time to Care Act in 2022 (SB 275) would be delayed and would impact businesses and workers across Maryland. The FAMLI Division is mandated to provide over 180,000 employers in Maryland with digital tools necessary for registering and submitting wage reports by October 1, 2025. Starting July 1, 2026, the division is required to have the tools needed for the public to submit claims and for staff to process and pay out those claims.

The use of an ICPA for this procurement to reduce the timeline for acquiring these resources from 18 months to 3 was considered essential due to the following:

- Any delay in securing vendor support for the digital systems of this program would impact the ability of the State to provide this critical benefit promptly and would negatively impact over 180,000 businesses and 2.7 million workers in the State.
- Further delays in building the service would also lead to a significant impact on the State's budget and general funds by compromising the division's ability to use ARPA State and

Local Fiscal Recovery Funds and delaying the transition of the program to special funds. This loss to the State would be more than \$30,000,000.

This ICPA will provide a compliant, competitive, and advantageous expedient procurement pathway that aligns with the State's guidelines, allowing staff to meet operational needs without delay. The following outlines how the proposals were reviewed and evaluated to ensure that the division secured the best possible value for the state.

Fearless and Nava ranked higher technically because of their demonstration of understanding of FAMLI's objectives for identifying deliverables to meet these objectives. Fearless showed this through a strong technical overview and valuable local community connections that can be leveraged for user research. Nava's experience with Paid Family and Medical Leave in Massachusetts and their expertise in the benefits space set them apart. They have established key personnel that have experience in Paid Family and Medical Leave Nava will be able to help accelerate the development of the system.

While Fearless and Nava had slightly higher base prices per team per sprint than AdHoc, these prices reflected more robust staffing models with more experienced team members.

Given the technical strengths and robust staffing models of Fearless and Nava, they were determined to provide the best value for the state while also ensuring that FAMLI meets its legislative deadlines.

**GSA MAS 54151S Evaluation of Request for Proposal with Pricing*

Criteria	AdHoc	Fearless	Nava
Technical Ranking	3	2	1
Price Ranking	1	2	3
Price	\$3,934,148.40	\$4,377,597.12	\$4,677,890.88
Overall Rank	3	2	1

The use of this ICPA procurement method is determined to be in the best interest of the State. It provides cost savings to the State; reduces the administrative burden on the State which allows the department to avoid delay in implementing the Time to Care Act in 2022 (SB 275); and promotes Intergovernmental Cooperation by using the GSA MAS 54151S vendors.

The use of the ICPA method is in the best interest of the state and not intended as a means to evade the purposes set forth under COMAR 21.01.01.03 or State Finance and Procurement, Section 13-110.

Recommended by:

Raelene Glasgow

Raelene Glasgow, MDOL, Chief of Procurement

Jason Perkins-Cohen, Deputy Secretary of Labor

8.29.2024

Date

Date

DGS OSP ICPA POD for MDOL FAMLI

Final Audit Report

2024-09-12

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