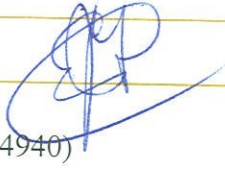



FROM	NAME & TITLE	Edward J. Gallagher, Director	 CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Department of Finance Room 454 City Hall (410 396-4940)		
	SUBJECT	City Council Bill #09-0164R – Informational Hearing – Procurement Approval Process Study		

TO The Honorable President and
Members of the City Council
Room 400, City Hall

DATE: November 9, 2008

Attention: Ms. Karen Randle

This resolution calls on representatives of the Johns Hopkins Institute for Policy Studies (IPS), the Baltimore Economy and Efficiency Foundation (BEEF), and the Baltimore City Director of Finance to report on the recent Procurement Approval Process Study of Baltimore City government.

The City is grateful for the work done by IPS and BEEF on this project. We also appreciate the generous funding from the Abell Foundation, which made this study possible.

The purpose of the Procurement Approval Process Study was to analyze the procurement process in Baltimore City, and to compare with other Maryland counties as well as selected cities around the country. The study found that: a) Baltimore's charter in regards to procurement is more prescriptive than other similar jurisdictions, b) codified dollar amounts in the Charter lose value over time due to inflation, and c) sluggishness in the purchasing system imposes significant costs on agencies, citizens, and vendors.

Based on the IPS study, BEEF has recommended the following changes to improve the City's purchasing process:

- Remove the codified dollar thresholds in the Charter and give authority to the City Council.
- Remove specific instructions for performance bonds from the Charter and give policy-setting authority to the Director of Finance
- Revise the Charter rules on advertising requirements for formal bids.

The Finance Department looks forward to reporting on this study, and working with the Council to improve the City's procurement process.

cc: Andrew Kleine
Angela Gibson

Visit Our Website @ www.baltimorecity.gov

