**Intergovernmental Cooperative Purchasing Agreement (ICPA)**
**Procurement Officer's Determination (POD)**
**COMAR 21.05.09.04**

**Department / Procurement Agency:** State of Maryland, Department of General Services (DGS), Office of State Procurement (OSP)

**Category:** Professional Services

**Contract Type:** Revenue Generating

**Contract Term:** Three (3) Years, with two (2) one-year options

**Estimated Contract Value:** $220M Revenue-Generating (No Appropriation Required)

**Name of Selected Vendor:** KPMG, LLP

## 1. Authority and Procurement Basis

In accordance with COMAR 21.05.09.02 and COMAR 21.05.09.04, the Procurement Officer has reviewed the pricing and compensation structure associated with this Intergovernmental Cooperative Purchasing Agreement to determine that it is fair and reasonable and in the best interest of the State.

The cooperative contract underlying this Participating Addendum was awarded through a competitive public procurement conducted by the State of North Carolina on behalf of NASPO ValuePoint. Pricing and compensation terms were evaluated as part of that competitive process, and the resulting contract is available for use by public entities nationwide and is currently utilized by multiple governmental organizations.

This agreement is structured as a revenue-generating, no-cost-to-the-State contract. The State does not expend appropriated funds, incur financial liability, or guarantee any level of revenue. Contractor compensation is derived solely from supplier-paid administrative fees assessed on actual contract utilization and collected in accordance with State-approved requirements. Administrative fees and associated revenue distribution are subject to State oversight, approval, and audit rights.

The administrative fee structure and revenue-sharing model were reviewed and determined to be consistent with industry-standard administrative fee programs utilized by other states and public-sector cooperative purchasing organizations. The allocation of revenue between the Contractor and the State reasonably reflects the scope of services provided, the operational responsibilities assumed by the Contractor, and the performance-based nature of the program, while ensuring that the State receives an appropriate share of revenues generated.

Based on the competitive origin of the cooperative contract, comparison to comparable public-sector programs, the absence of cost or financial risk to the State, and the State's retained oversight authority, the Procurement Officer hereby determines that the pricing, administrative fee structure, and revenue allocation associated with this agreement are fair and reasonable and in the best interest of the State.

## 2. Background and Purpose

The State of Maryland seeks to enhance revenue by optimizing administrative fee collection for statewide, agency, and cooperative contracts. While the State currently collects administrative fees on a subset of statewide contracts, there is a significant opportunity to expand coverage, improve compliance, and recover underreported or unpaid fees. The purpose of this SOW is to establish a comprehensive, scalable, and sustainable fee optimization and revenue-generation program that can be implemented at the State level. As such, the State of Maryland, Department of General Services ("DGS") has entered into a Participating Addendum ("PA") with KPMG, LLP, under cooperative agreement DPC-1428523190-SA-29-PASS_ITRAC, Procurement Assistance and Support Services (PASS) and IT Research & Advisory Services (IT RAC), issued by the State of North Carolina on behalf of NASPO ValuePoint to provide priority identification and research, risk management and scenario planning, and program management support services. This Contract is available to State agencies nationwide, institutions of higher education, cities, and counties. It has been awarded through a competitive public procurement process that is compliant with Maryland statutes.

This program leverages proven program management, technology enablement, supplier compliance, and contract marketing capabilities to increase compliant contract utilization, improve transparency, and maximize revenue realization.

## 3. Scope of Services

The Contractor shall provide end-to-end Revenue Generation and Fee Optimization Program Management Services, including but not limited to the service components described below.

### 3.1 Revenue Generation Program Management

The Contractor shall manage and administer the State's administrative fee program on behalf of the State. This includes expanding the program beyond current statewide contracts to encompass eligible non-statewide and agency contracts, subject to State approval and legal authority. The Contractor shall support the identification and retroactive recovery of unpaid or underreported fees, where permitted, and shall establish standardized processes for ongoing fee collection, reconciliation, and revenue distribution. Program management services shall be delivered using dedicated resources and defined governance structures to ensure accountability, transparency, and sustained performance.

### 3.2 Supplier Success and Enablement

The Contractor shall support supplier success through structured onboarding, training, and ongoing engagement. This includes assisting suppliers with understanding fee requirements, reporting obligations, and contract usage expectations. The Contractor shall conduct periodic business reviews with participating suppliers to improve compliance, address performance issues, and identify opportunities to increase contract utilization. Supplier enablement activities shall be designed to reduce friction, improve reporting accuracy, and promote long-term participation in State contracts.

### 3.3 Sales Reporting and Fee Collection

The Contractor shall collect supplier sales reports and associated administrative fees in accordance with State-approved requirements. Sales data shall be validated through reconciliation against available State spend data and other relevant sources. The Contractor shall establish and maintain secure processes, systems, and controls for the receipt, validation, and tracking of sales reports and fee payments, and shall coordinate with the State regarding revenue distribution and financial reporting.

### 3.4 Supplier Compliance and Enforcement

The Contractor shall monitor supplier compliance with reporting and fee payment requirements on an ongoing basis. This includes validating supplier-reported sales data, identifying discrepancies, and conducting direct outreach to resolve noncompliance. The Contractor shall track and manage escalation activities in coordination with the State and provide regular compliance status reporting. Enforcement activities shall be designed to improve long-term compliance while maintaining constructive supplier relationships.

### 3.5 eMarketplace and Catalog Enablement

Where applicable, the Contractor shall support the configuration and maintenance of eMarketplace catalogs that accurately represent contracted products and services. This includes configuring rules and workflows consistent with State requirements, maintaining data quality and accessibility, and supporting supplier participation. Marketplace enablement activities shall be designed to improve visibility, ease of use, and compliant purchasing behavior.

### 3.6 Contract and Program Marketing

The Contractor shall design and execute a comprehensive contract marketing and program awareness strategy to drive adoption and utilization of State contracts. Marketing activities shall include targeted outreach to State agencies and local governments, supplier marketing support, buyer education initiatives, and participation in relevant in-state conferences and events. The Contractor shall provide educational materials, webinars, and resource pages to support both buyers and suppliers and to promote correct and compliant contract usage.

### 3.7 Local Government Enablement

The Contractor shall support local government participation by onboarding, training, and providing ongoing assistance to eligible local entities. This includes educating local buyers on contract utilization, distributor and reseller models, and marketplace functionality. Local government enablement is intended to drive incremental spend under management and expand the program's overall revenue base.

### 3.8 Data, Analytics, and Reporting

The Contractor shall provide robust data, analytics, and reporting capabilities to support program oversight and optimization. This includes conducting spend and fee payment analyses, generating contract utilization and revenue reports, developing forecasts and performance dashboards, and providing insights to inform the State's strategic sourcing and statewide contract portfolio strategies. Analytics shall be used to identify growth opportunities, compliance gaps, and program improvement initiatives.

## 4. Program Phases and Timeline

The Contractor shall implement the program using an iterative, phased approach that includes setup and establishment, mobilization of contracts and collections, acceleration and maturity development, and ongoing delivery. Activities shall include program modeling, contract execution, supplier activation, fee collection initiation, and continuous optimization. The Contractor shall work with the State to define stage gates, secure required approvals, and align on maturity plans and performance milestones.

## 5. Governance and Coordination

The Contractor shall operate under a governance model approved by the State, including regular status meetings, performance reporting, and issue escalation protocols. A designated in-state or primary program lead shall serve as the primary point of contact and coordinate day-to-day execution across agencies, suppliers, and local entities. Governance activities shall ensure alignment with State objectives and provide transparency into program performance and risks.

## 6. Deliverables

Deliverables under this SOW shall include, but are not limited to, program plans, supplier onboarding materials, marketing and educational content, sales and fee collection reports, compliance tracking reports, analytics dashboards, and periodic performance summaries. Deliverables shall be provided in formats and on schedules agreed to by the State.

## 7. Assumptions and Dependencies

This SOW assumes that the State has, or will obtain, the necessary legal authority, policy direction, or executive approvals required to expand administrative fee coverage to additional contracts. The Contractor's ability to deliver services is dependent on timely access to relevant contract, supplier, and spend data, as well as cooperation from participating agencies and suppliers.

## 8. No-Cost-to-State Structure

The services described in this SOW are intended to be delivered at no additional cost to the State, with compensation structured through an approved revenue-sharing or fee-based model as defined in the governing agreement.

## 9. Basis for Selection and Best Interest Determination

Pursuant to COMAR 21.05.09.04(B), the use of an Intergovernmental Cooperative Purchasing Agreement promotes administrative efficiency by reducing duplicative procurement activities and streamlining acquisition processes across participating entities. This approach accelerates time-to-value and revenue realization by enabling the State to rely on established contractual vehicles rather than initiating a separate procurement, allowing services to be implemented more quickly and effectively.

In addition, the use of an Intergovernmental Cooperative Purchasing Agreement allows the State to leverage proven, competitively procured solutions that are already in use by other public entities, thereby reducing implementation risk and increasing confidence in program outcomes. Accordingly, the proposed agreement is determined to be in the best interest of the State, is not intended to evade competitive procurement requirements, and supports responsible fiscal stewardship.

## 10. Determination

Based on the foregoing analysis, I hereby determine that participation in this Intergovernmental Cooperative Purchasing Agreement is in the best interest of the State of Maryland.

Yasin Mohammed

Yasin Mohammed, Director Statewide Strategic Sourcing, DGS OSP    Date

Jamie Tomaszewski

Jamie Tomaszewski, Senior Director of Procurement, DGS OSP    Date

Amit Khardori

Amit Khardori, Deputy Chief Procurement Officer, DGS OSP    Date

Linda Dangerfield    01/30/2026

Linda Dangerfield, Deputy Chief Procurement Officer, DGS OSP    Date

Wallace Sermons    1/30/26

Wallace Sermons II, Chief Procurement Officer, DGS OSP    Date

**Signature:** Yasin Mohammed
Yasin Mohammed (Jan 27, 2026 12:57:55 EST)

**Email:** Yasin.Mohammed@maryland.gov

**Signature:** Amit Khardori

**Email:** amit.khardori@maryland.gov

**Signature:**
Wallace Sermons II (Jan 30, 2026 11:19:42 EST)

**Email:** wallace.sermons@maryland.gov

**Signature:**
JAMIE TOMASZEWSKI (Jan 27, 2026 13:00:15 EST)

**Email:** JAMIE.TOMASZEWSKI@MARYLAND.GOV

**Signature:**
Linda Dangerfield (Jan 30, 2026 08:06:44 EST)

**Email:** linda.dangerfield@maryland.gov

# ICPA POD for Revenue Optimization and Administrative Fee Program Contract

Final Audit Report 2026-01-30

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