



Policies and Procedures

Market Research Policy

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I. SCOPE AND APPLICABILITY:

This guidance is supplemental to the requirements in Section 2.3 of the Maryland Procurement Manual. It provides recommended practices, examples, and procedural considerations for conducting market research in support of Maryland procurements.

As stated in Section 2.3 of the Maryland Procurement Manual, market research shall be conducted prior to initiating a solicitation or selecting a procurement method for all procurements and scaled based on factors applicable to the procurement, such as the complexity, dollar value, urgency, availability of historical information, market conditions, vendor availability (eg., validating sole source), and previous procurements for the same goods or services.

This policy applies to all procurements conducted by a Unit, including but not limited to, solicitations for goods, services, construction, architectural- engineering and professional services.

This guidance is intended to help Procurement Officers conduct effective and scalable market research that supports competition, promotes sound procurement planning, and advances the State's socioeconomic procurement objectives.

II. POLICY:

1. Procurement Officer Actions:

Procurement Officers shall:

(1) Conduct market research for all procurements conducted by a Unit, including but not limited to solicitations for goods, services, construction, architectural engineering, and professional services. In addition, for procurements expected to exceed \$100,000, market research shall be conducted to determine the Minority Business Enterprise (MBE) and Veteran-owned Small Business Enterprise (VSBE) Goal Assessment and Subcontracting Feasibility.

(2) Use the results of market research to:

- (i) Determine if sources capable of satisfying the need exist;
- (ii) Promote equitable contracting and support diverse vendor participation and assess subcontracting opportunities that can enhance competition and inclusion;
- (iii) Support determinations regarding Small Business Reserve (SBR) designation requirements, including whether two or more certified small businesses appear capable of performing the work (rule of two); and
- (iv) Inform the setting of MBE and VSBE participation goals.

2. Scaling Market Research

Procurement Officers should tailor market research to the procurement.

Simplified Procurements and Lower-Dollar Awards

For routine or lower-risk procurements, streamlined market research may be sufficient. Examples include:

- Reviewing certified vendor listings in eMMA;
- Reviewing prior procurements;
- Comparing historical pricing;
- Reviewing existing statewide contracts;
- Conducting internet research; or
- Contacting a limited number of vendors (a minimum of two).

For procurements below the small procurement threshold, especially those under the corporate purchase card transactions, market research may be limited or unnecessary. In most cases, a simple review of available vendors or comparable purchases in eMMA through the “Vendor Search” or “Contract Search” is sufficient to confirm whether certified small businesses are available to provide the goods or services required for the contract.

Complex or High-Dollar Procurements

For more complex, high-risk, or high-dollar procurements, Procurement Officers may consider additional market research techniques, including:

- Formal Requests for Information (RFIs);
- Vendor outreach;
- Meetings with industry representatives;
- Market capability assessments;
- Market Analysis;
- Supply chain analysis; and
- Review of procurement approaches used by other jurisdictions.

3. Market Research Techniques:

Techniques for conducting market research may include any or all of the following:

Review of existing information:

- (i) Contacting knowledgeable individuals at State and industry regarding market capabilities to meet requirements.

(ii) Reviewing the results of recent (up to 18 months) market research undertaken to meet similar or identical needs.

(iii) Querying the State contracts and other procurement instruments and other State (such as eMMA) and commercial databases that provide information relevant to the State procurements. For example, reviewing certified vendor listings in eMMA or reviewing existing statewide contracts;

(iv) Obtaining source lists of similar items from other contracting activities or agencies, trade associations or other sources.

(v) Reviewing catalogs and other generally available product literature published by manufacturers, distributors, and dealers through internet research.

Vendor outreach:

Procurement Officers are encouraged to engage with vendors and industry representatives as part of market research and procurement planning to better understand market capabilities, commercial practices, and barriers to competition. Such communications shall be conducted fairly and in a manner that avoids unfair competitive advantage. Procurement Officers shall avoid sharing nonpublic information, source selection information, internal evaluation strategies, or information that could compromise the integrity of a future procurement.

Procurement Officers may communicate with vendors, industry representatives, trade organizations, or other knowledgeable sources by:

(i) Participating in interactive, on-line communication among industry, procurement personnel, and customers.

(ii) Holding presolicitation conferences to involve potential offerors early in the procurement process.

(iii) Direct engagement with prospective vendors enabling better alignment of requirements with the agency's needs. When conducting targeted outreach, Procurement Officers must contact at least two prospective prime contractors.

Note: In accordance with SFP 13-212.1, individuals are not considered to be drafting specifications when they:

- Provide product literature
- Respond to requests for information
- Comment during pre-bid/pre-proposal processes
- Provide sole-source specifications
- Provide certain architectural or engineering planning/design services under specified limits, or
- Provide information that the PO determines does not create an unfair competitive advantage for any bidder or offeror.

Procurement Officers shall document significant vendor communications, especially for complex or high-risk procurements.

Publishing Formal Requests for Information (RFI)

One of the most effective tools for conducting market research is a Request for Information (RFI).

An RFI is a method for requesting information from suppliers with knowledge of an industry, goods, services, or construction. The Procurement Officer should use the RFI method when it is impractical to initially prepare a definitive procurement description and when informal discussions with vendors are not productive.

Issuing an RFI enables assessment of the supplier landscape and available solutions, understanding of market trends, and refinement of procurement requirements. RFIs are also among the best tools for buyer-vendor interactions, enabling open two-way communication. RFIs also serve as an official record of communications.

RFIs are an information-gathering tool, not competitive solicitations, and do not satisfy the competition requirement.

Procurement Officers should not request more information than reasonably needed.

See Section IV. Templates of this policy for the [RFI template](#) that provides general structure, sample language, and questions.

4. Market Analysis.

Market analysis is the evaluation and interpretation of market information to support decision-making. It uses the information gathered through market research to answer questions like:

- Is the market competitive?
- Are there enough qualified vendors?
- Is the requirement realistic?
- What procurement strategy is best?
- What risks exist in the supply chain?
- Should the agency bundle or unbundle requirements?
- Is the market concentrated among a few suppliers?

Market analysis is more strategic and analytical and often used for more complex procurements. It often includes:

- Supply/demand evaluation
- Pricing analysis
- Competition analysis
- Risk assessment
- Industry trend assessment
- SWOT-type evaluations
- Economic or policy impacts

5. Types of Market Research

There are two types of market research:

- General Market Research
- Socioeconomic Market Research for MBE/VSBE Goal Assessment and Subcontracting Feasibility (for procurements expected to exceed \$100,000)

While the Procurement Officer may do so, it is not necessary to conduct separate general market research or market research to determine MBE/VSBE goals. The Procurement Officer may conduct one market research that addresses all of the above situations.

III. PROCEDURES:

1. Market Research Procedures

Below are the steps Procurement Officers shall consider when conducting market research. Applicability of each step depends on the specifics of each procurement. Please follow the guidance in the Scaling Market Research section above.

Step 1. Review Existing Information or conduct Vendor Outreach: Procurement Officers may use one or more of the appropriately scaled market research techniques described above to determine if sources capable of satisfying the need exist and to assess whether the procurement requirement needs to be adjusted or refined.

When a procurement is expected to exceed \$100,000, or when otherwise required by regulations or policy, Procurement Officers will also determine whether the procurement should be designated as an SBR and whether setting MBE and VSBE participation goals is appropriate.

For policy guidance on the intersection and implementation of the processes and procedures related to the Small Business Reserve (SBR) designation, Minority Business Enterprise (MBE) goals, and Veteran-Owned Small Business Enterprise (VSBE) goals, please refer to CPO Policy Clarification Memo on SBR/MBE/VSBE Policies.

Step 2. Conduct Market Research via an RFI

When appropriate, Procurement Officers may issue an RFI by using the standardized Template. **For MBE/VSBE goal-setting, market research involves identifying subcontractable elements of a contract.** Once those are defined, they could potentially be fulfilled by either MBEs or VSBEs. Procurement Officers are not required to conduct two separate market research processes or issue separate requests for information (RFIs) - unless the specific nature of the project clearly requires it.

Questions in the RFI shall be tailored to the specific procurement. Below are some of the suggested questions that Procurement Officers may use as appropriate:

- Product/Service Capabilities and Technical Specifications
- Availability, Lead Times, and Production Capacity

- Typical Pricing Models and Order/Minimum Quantities
- Installation, Maintenance, and Warranty Practices
- Barriers and Regulatory or Logistical Concerns
- Innovative Approaches, Pilot Projects, or Alternative Delivery Models
- Lifecycle Costs, Sustainability Credentials, and Supply Chain Provenance
- Risks, Constraints, and Resource Needs
- Socio-Economic (small business, MBE and VSBE goals)
- Any other relevant categories

When conducting market research for MBE/VSBE goals, Procurement Officers may consider including the following questions (see the relevant language in the RFI template):

- What aspects of the anticipated procurement are typically subcontracted in the industry;
- Whether there are existing CSBs, MBEs, or VSBEs capable of performing parts or all of the anticipated work;
- Whether there are portions of the work that could be subcontracted to MBEs/VSBEs and percentage recommendations for those pieces; and
- Challenges potential offerors foresee in MBE/VSBE or small business participation.

Step 3. Data Analysis and Goal Setting:

After collecting the market research data, Procurement Officers shall analyze the data and determine:

- Suppliers' ability to supply or deliver the required goods or services at required volumes, timelines, and performance levels;
- Which services or deliverables and at what levels are commonly subcontracted;
- Availability and capacity of MBEs and VSBEs to perform such work;
- Recommended MBE/VSBE Suggested Participation Goals on the PRG Worksheet in alignment with the applicable MBE/VSBE goal-setting guidelines. The recommendations should reflect realistic opportunities for MBE/VSBE participation and the industry capacity to deliver via diverse business models.

Step 4. Document Market Research.

All market research activities shall be documented and included in the procurement file. Procurement Officers shall maintain a Market Research Report that may include as applicable:

- Summary of conversations and written responses from prospective prime contractors;
- Identification of potential subcontracting opportunities; and
- Rationale and findings for the MBE/VSBE suggested participation goal(s) in the analysis field of the PRG Worksheet.

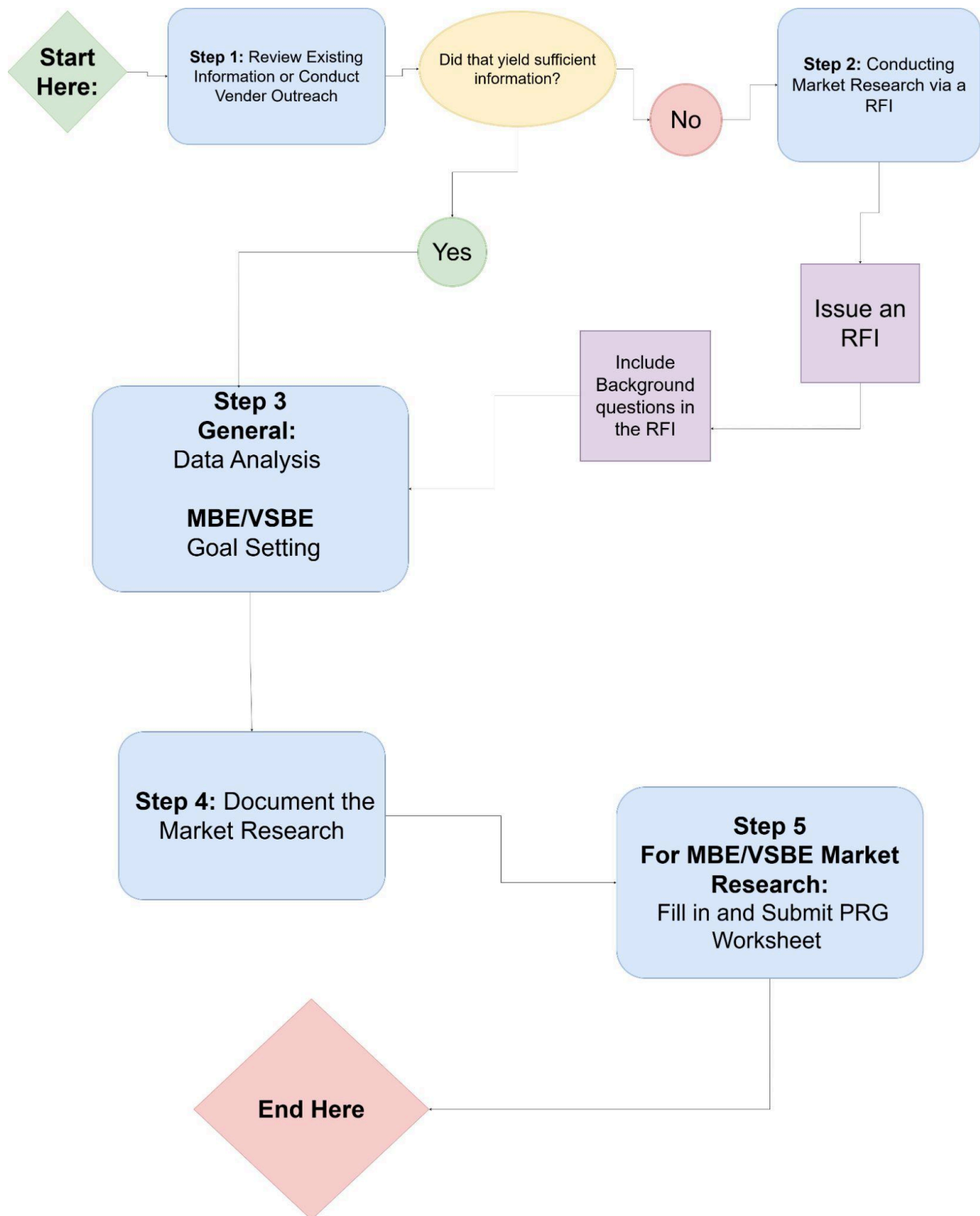
Step 5. Fill in and submit PRG Smartsheet. When required, a PRG Worksheet shall be submitted to the DGS OSP MBE/VSBE/SBR Liaison or Designee using the following smartsheet form:

<https://app.smartsheet.com/b/form/0196e9e9572b766eb94ab7d785acb44e>

For guidance on submitting PRG Worksheet please refer to the PRG Policy and CPO Policy Clarification Memo on SBR/MBE/VSBE Policies.

The findings will be reviewed by the DGS OSP MBE/VSBE/SBR Liaison or Designee to validate the appropriateness of the MBE/VSBE suggested participation goals.

2. Additional Information



MARKET RESEARCH SHOULD SCALE TO THE PROCUREMENT

Procurement Type	Typical Characteristics	Recommended Market Research Approach	Typical Techniques
Very Simple / Micro Purchases	Purchase card transactions; routine commercial items; low risk; readily available products/services	Minimal validation	• Internet search • Review of prior purchases • eMMA vendor search • Review of statewide contracts
Simplified Procurements	Below small procurement threshold; historical data exists; standard specifications	Streamlined market research	• Historical pricing review • Review of prior procurements • Outreach to at least two vendors • Review of certified vendors
Moderate Complexity Procurements	Some customization of the research; limited historical data; moderate risk; evolving market	Targeted market research	• Formal RFI • Outreach to at least two vendors • Capability review • Market trend review • Review of subcontracting opportunities
Complex / High-Dollar Procurements	High value; technical complexity; no reliable historical data; critical operations impact; significant subcontracting potential	Extensive and documented market research	• Formal RFI • Industry meetings • Supply chain analysis • Market capability assessments • Research of other jurisdictions • Detailed MBE/VSBE analysis
Highly Specialized / Innovative Procurements	Emerging technology; rapidly evolving market; uncertain requirements; limited vendor pool	Strategic and iterative market engagement	• Multiple rounds of outreach • Draft requirements feedback • Pilot/proof-of-concept discussions • Industry capability assessments

GENERAL MARKET RESEARCH vs. MBE/VSBE MARKET RESEARCH

<u>Category</u>	<u>General Market Research</u>	<u>MBE/VSBE Market Research</u>
Primary Goal	Determine overall market capability and competition	Determine subcontracting feasibility and participation opportunities
Focus	Procurement strategy and market conditions	Availability and capacity of certified firms
Key Questions	Can the market satisfy the requirement?	Can certified firms participate meaningfully?
Typical Sources	Vendors, catalogs, prior procurements, RFIs	Certified vendor directories, prime contractors, subcontracting analysis
Vendor Outreach Purpose	Understand capability, pricing, and delivery	Identify subcontractable work and participation barriers
Main Outcome	Procurement planning and sourcing strategy	MBE/VSBE participation goal recommendations
Documentation	Market conditions and procurement approach	Goal-setting rationale and subcontracting feasibility

IV. TEMPLATES

[Request for Information Template](#)

V. RELATED STATUTES, REGULATIONS, POLICIES, and OTHER RESOURCES:

- Maryland Annotated Code, State Finance and Procurement Article, Title 14, Subtitle 3
- Maryland Annotated Code, State Finance and Procurement Article, Title 14, Subtitle 6
- COMAR 21.11.03.01 – COMAR 21.11.03.17
- COMAR 21.11.14.01 – COMAR 21.11.14.12
- BPW Advisory 2001-1
- [PRG Policy](#)
- [PRG Guidance, Worksheets, and Schedule](#)
- [OSBA's VSBE Program information](#)

Version History

Version Number	Effective Date	Reason for Change
01	October 15, 2026	New Policy, incorporating the Market Research Policy for MBE/VSBE Goal Assessment and Subcontracting Feasibility