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## Office of the Inspector General

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Re: OIG Investigative Report – Case No. 25-014

The mission of the Office of the Inspector General (“the Office”) is to provide increased accountability and oversight in the operations of the Baltimore County government (“the County”) by identifying fraud, waste, and abuse, while also striving to find ways to promote efficiency, accountability, and integrity.

In June 2023, the Office published OIG Investigative Report – Case No. 23-009 dated May 19, 2023 (“the First Report”), regarding a roofing contractor’s fraudulent activities as it related to their subcontracting arrangement with a certified Minority Business Enterprise (MBE).<sup>1</sup> In the First Report, the Office noted compliance did not occur throughout the period of the contract, the assigned compliance officer was overwhelmed, and a lack of resources in the County’s MBE Unit (“the Unit”) contributed to the fraud. As part of its recommendations, the Office recommended an operational audit of the Unit.

The First Report was followed by an internal report dated June 30, 2023 (“the Second Report”), which raised concerns about the County awarding another contract to the same roofing contractor while it was under investigation for fraudulent activities. In the Second Report, the Office recommended implementing a practice of checking to see whether a prime contractor is in good standing with the Unit before selecting them for a contract award.

The Office then published OIG Investigative Report – Case No. 24-011 dated November 25, 2024 (“the Third Report”), detailing additional fraudulent activities by the roofing contractor and concerns about required compliance not being performed by the Unit. The Office noted compatibility issues between PRiSM, a software system used by the Unit, and Workday, a new

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<sup>1</sup> For simplicity purposes, at times during this report, MBE will be used synonymously with the terms Women’s Business Enterprise (WBE) and Minority and Women’s Business Enterprise (MWBE).

County-wide financial and human capital management system. The Office explained the Unit was using a “workaround” that involved Excel spreadsheets to try and compensate for the compatibility issues; however, the volume of transactions was such that the Unit could not effectively perform compliance on MBE contracts.

Under Baltimore County Code Section 3-14-106, the Office is authorized to initiate “reviews of operations of the county government as deemed appropriate.” Therefore, considering the Office’s findings in the three aforementioned reports, the Office undertook a review of the Unit with respect to its contract compliance duties and responsibilities. The purpose of the review was twofold. First, to determine the extent to which the Unit was not monitoring contractors’ compliance with MBE goals and applicable MBE rules and regulations as they pertain to County contracts. Second, to explore the issues with the PRiSM system.

The Office’s review of the Unit’s operations included an examination of various documents, witness interviews, and a review of the PRiSM system. Among the documents examined were an executive order issued in 2022 regarding the County’s MBE program, MBE policies and procedures, project-related records, contracts, and County email communications.

Regarding PRiSM, the Office requested direct access to PRiSM in April 2023. Access was not provided until February 2024. Once the Office was able to directly log into PRiSM, the Office saw firsthand the extent to which the system was not being utilized as intended. Specifically, MBE contract information was not listed; goal setting was not functional; and monthly reporting by contractors and MBE subcontractors was not regularly occurring within the PRiSM framework.

During its review of the Unit, the Office was told PRiSM was not compatible with the County’s current and past financial systems; and therefore, it could not be utilized as intended by the Unit to complete their compliance-related duties and responsibilities. While the Unit had devised manual workaround procedures to try and compensate for the incompatibility issues, the Unit did not implement those workarounds consistently on contracts; and in fact, there were times they were not implemented at all.

As part of its review of the Unit, the Office conducted a limited examination of 350 contracts with MBE goals, which were active between January 1, 2022 and March 31, 2025. The Office performed this examination because it had been told that manual compliance was occurring during this time period. The Office determined almost half of these contracts had no compliance-related documentation. Of the half that did have some evidence of compliance-reporting, only a small percentage of those contract files appeared to have sufficient documentation.

In February 2024, the Office brought the PRiSM compatibility issues to the attention of the Administration and the Office of Information Technology (OIT). As of the date of this report, PRiSM is still not fully compatible with the County’s current financial system; and it is not being fully utilized the way it was intended. Additionally, the County paid the vendor who supplied the PRiSM software (“the Vendor”) extra funds for PRiSM add-ons, which were to be used by other County agencies for functions unrelated to the MBE program. The review determined those add-on components of PRiSM were never utilized. Therefore, the Office determined the entirety of the funds paid by the County to the Vendor for PRiSM were at a minimum, not a good use of

County resources, and arguably, a waste of County resources. Those funds totaled \$737,593.50.

#### I. Background on the County's MBE Program and the Unit

The County's MBE program was originally established by a 1983 executive order. It was modified through a series of additional executive orders and is currently governed by Executive Order No. 2022-005 ("the Executive Order").<sup>2</sup> Under the Executive Order, the goal of the County's Administration is to "provide maximum opportunities for Minority Business Enterprises and Women's Business Enterprises to participate in all phases of procurement in the County, including construction, purchases of goods and services, architectural and engineering agreements, consultant contracts and other professional service agreements." At the time of the Executive Order, the County's overall goal was to have 23 percent of the cumulative total of all discretionary dollars spent in a fiscal year of County procurements awarded to, or performed by, MBE firms.

Initially, the Unit consisted of two employees housed within the Division of Purchasing Services ("Purchasing"), which is part of the Office of Budget and Finance. This was convenient since the Unit works closely with Purchasing employees on solicitations, goal setting, contract awards, and contract renewals. During or about 2021, the Unit was moved from Purchasing to a new division within the Office of Human Resources called the Diversity, Equity and Inclusion (DEI) Division. This transition combined the previously existing Human Relations Commission with the Unit. On or about July 1, 2025, the Unit was moved back to Purchasing where it is now overseen by the Chief of Procurement and Logistic Services. Since its inception, the Unit has grown from two employees to its current roster of five employees. The duties and responsibilities of the Unit are stated in the Executive Order as follows:

- Assist County offices and departments in identifying qualified certified MBE and WBE firms ready and able to provide services, equipment, materials and supplies to the County;
- If applicable, attend pre-bid meetings and bid openings to provide information to prospective bidders about the County's policy with respect to MBE and WBE participation;
- Review MBE and WBE participation plans submitted by general contractors to determine whether goals are being achieved;
- Provide outreach services to MBE and WBE firms by working closely with the Department of Public Works and Transportation;
- Provide periodic reports to the County Executive and County; and
- Assume primary responsibility for reviewing, on a continuing basis, all aspects of the use of Minority Business Enterprises and Women's Business Enterprises in County contracts to assure that the purpose of this Executive Order is being achieved.

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<sup>2</sup> See <https://www.baltimorecountymd.gov/files/Documents/Executive/orders/2022-005mbewbe.pdf>.

## II. The County's MBE Business Process and Relevant Documents

In an effort to achieve MBE goals, all County solicitations are initially reviewed by the Unit to determine if they contain work that is appropriate for an MBE. The review includes examining the scope of work, including the associated North American Industry Classification System (NAICS)<sup>3</sup> codes; determining whether the proposed MBEs are certified to perform the services associated with those codes; researching the number of available MBE firms for those codes; and determining a proposed MBE goal, if any, for the solicitation. This review is done in advance of the weekly meetings of the Procurement Review Group (PRG), which is where the proposed goal is reviewed and set. Once a goal is set, this information is provided to Purchasing and incorporated into the final solicitation. All bids received are subject to the goal.

All prospective bidders on a County contract with an MBE goal receive a copy of the County's MBE Plan Package.<sup>4</sup> The MBE Plan Package consists of a variety of documents that set forth the various rules and business processes that govern the County's MBE program.<sup>5</sup> For Department of Public Works and Transportation (DPWT) contracts, a member of the Unit attends the pre-bid conference to explain the County's MBE program and answer any questions about the MBE Plan Package. The documents contained in the MBE Plan Package are as follows:

- Prospective Bidders/Offerors Instruction Document
- Participation Summary
- Prime Contractor Minority and Women Participation Affidavit
- Form A – Utilization and Fair Solicitation Affidavit
- Form B – Subcontractor Participation Schedule
- Form B-Prime – Prime Participation Schedule
- Form C – Subcontractor Disclosure and Participation Statement
- Form D – Unavailability Certificate
- Form E – Outreach Efforts – Compliance Statement
- Compliance Reporting - Penalties letter

The documents that comprise the MBE Plan Package must be completed, affirmed under penalties of perjury, and submitted along with the other bid submission documents. The Prospective Bidders/Offerors Instruction Document outlines how to demonstrate “good faith” efforts to meet MBE goals. The Participation Summary outlines the bid documents, the responsibilities associated with the documents, and other legalities. The Prime Contractor Minority and Women Participation Affidavit and Form A are filled out by the prime contractor and acknowledge the rules regarding the MBE program and goals for the project. Form B, Form

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<sup>3</sup> See <https://www.naics.com/history-naics-code>.

<sup>4</sup> There are two types of these contracts – contracts with an MBE goal based on the value of the contract and contracts with an MBE goal for each task associated with the contract. The documents are essentially the same. One set of forms discusses the MBE goal for the contract value while the other set of forms references the MBE goal for each separate task associated with the project. For simplicity purposes, the Office will use the forms that pertain to contract values.

<sup>5</sup> See <https://www.baltimorecountymd.gov/files/Documents/Fair%20Practices/mbecompletepackage.pdf>.

B-Prime, and Form C identify the certified MBE subcontractors for the project along with their certification number, goal percentage, projected monetary payment, and contact information. Form D and Form E are utilized in the event that the prime contractor is unable to meet the proposed MBE goal as part of their initial bid submission.

Once the bids are received by the County, they are reviewed by the Unit. This review ensures the designated MBE subcontractors are actually certified in their proposed scope of work and the goals are appropriately based on the solicitation. Once the contract is awarded, the Unit should receive a copy of the contract, and they are responsible for monitoring the contract for compliance with the MBE goals.

According to the MBE Plan Package, the Unit tracks compliance by reviewing monthly prime contractor and subcontractor reporting. On the tenth day of each month, the prime contractor and subcontractors are required to notify the County concerning the payments for the previous month. Specifically, the prime contractor must notify the County about the payments it made to its subcontractors; and conversely, the subcontractors must acknowledge and confirm that they were paid by the prime contractor. This reporting is supposed to include supporting documentation, such as copies of invoices and proof of payments. The Unit is tasked with verifying that these amounts match. In other words, if the prime contractor reports to the Unit that they paid a subcontractor \$10,000 last month, the subcontractor should independently report to the Unit that they had received \$10,000 from the prime. The Unit also reviews these payments for compliance with the overall MBE goal for the project. Monthly reporting is required each month, regardless of whether any payments occurred. Finally, the Unit is supposed to confirm that the approved MBE subcontractors are actually being utilized on the project.

It is worth noting that according to the Participation Summary, “if the contractor cannot submit his/her report on time, he/she will notify the County MBE/WBE office and request additional time to submit the report.” If a contractor fails to perform the monthly reporting or meet MBE requirements, there can be serious financial consequences to the contractor. Such consequences include penalties of up to ten percent of the contract value, termination of the contract, and suspension from participating in future County contracts.

### III. The Unit’s Underutilization of the PRiSM Software

#### Background on PRiSM

To facilitate the operation of its MBE program, the County issued a solicitation for “an off-the-shelf Minority Compliance Software solution.” In March 2008, the County entered into a contract with the Vendor to use their software system called PRiSM. The initial contract was for one year with nine, one-year renewals. A copy of the “System Overview” and “Software License Fees and Payment Schedule” from the contract are attached as **Exhibit 1**. In 2018, a new one-year contract was signed that had four, one-year automatic renewals. In 2021, a third one-year contract was signed that included four one-year renewal options. A copy of the fee schedule for the current contract, which is called Attachment A, is attached as **Exhibit 2**. The 2018 and 2021 contracts were sole-sourced to the Vendor.

The majority of the Unit's duties and responsibilities are supposed to occur within PRiSM. This includes those that pertain to contract solicitations, contract reviews, NAICS code certifications and confirmations, MBE goal settings, contract awards, payment confirmations, and all other compliance-related tasks. However, for a variety of reasons, PRiSM has never been utilized as intended by the Unit, and it has never been integrated with other necessary County systems.

#### PRiSM and the Previous Financial System

Prior to June 2022, the County had a different financial management system. The review determined the prior financial system was not compatible with PRiSM. Also, during that time period, there was a technical issue with PRiSM that prevented it from being used to set MBE goals for contracts. Because of these issues, the Unit created several workarounds.

The Unit was supposed to have direct access to a list of certified MBE companies and their corresponding NAICS codes via PRiSM. The Unit needed this information to accurately determine MBE goals for prospective contracts. Due to technical issues with PRiSM, the Unit was unable to obtain this data, which resulted in the Unit having to set MBE goals using a manual analysis.<sup>6</sup>

Because of the compatibility issues, the Unit had to run weekly reports in the financial system encompassing four categories: all vendors; all purchase orders and contracts; all payments or transactions made by prime contractors, who are subject to an MBE goal; and all payments and transactions. Once these reports were run, the information was downloaded and saved to a computer by an employee in the Unit. Once downloaded, the information needed to be manipulated within the Unit, and then uploaded into PRiSM. After the manipulated information was uploaded into PRiSM, the Unit still needed to manually add the MBE goals and subcontractors, if any, that were associated with the projects.

The weekly uploads of the manipulated contract data into PRiSM essentially turned PRiSM into an electronic database containing vendor information, contracts, purchase orders, and payment-related transactions for all County procurements. This was an issue because it resulted in non-MBE procurement data being housed in PRiSM. For example, a County resident who paid their water bill would have been included as a "payment transaction" in PRiSM as a result of this workaround. Additionally, there are numerous contracts housed in PRiSM listed as "active" that are no longer active. As of November 21, 2025, there were 10,745 contracts listed as "active" in PRiSM.<sup>7</sup> Because of this extraneous information, the Unit has been unable to run meaningful reports. This is relevant as the County was originally paying a fee for the Unit to monitor 500 contracts in the system. The number of contracts was then increased to 6,000 along with an increased fee for these additional contracts.

When interviewed, employees told the Office that most of their days during this time period were spent on administrative tasks, such as data entry. Moreover, the Office was told that because

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<sup>6</sup> It is worth noting that due to the efforts of the Chief of Procurement and Logistic Services, this information is now being uploaded accurately as of September 2025; and the Unit is able for the first time to set MBE goals via the PRiSM system.

<sup>7</sup> The Office was told there is a goal to remove all extraneous information from PRiSM by December 31, 2025.

of these administrative tasks, the Unit was not fully monitoring contracts for compliance with MBE goals and rules. Thus, compliance was a low priority for the Unit during this time frame.

### PRiSM and the Current Financial System

In June 2022, the County transitioned to a new financial and human capital management system called Workday. During interviews, the Office was told the Unit was not included in meaningful pre-transition meetings that would have given them an opportunity to discuss their business process needs. The transition to Workday greatly impacted the Unit as PRiSM and Workday did not properly integrate with each other. Further, the Unit's long-standing workaround of downloading data from the County's prior financial system, and then uploading that information into PRiSM, was no longer possible. This meant the Unit could no longer download vendor data, procurement information, contract awards, purchase orders, and payment transactions. As a result, that information was not being placed into PRiSM. The Office cannot emphasize enough the significant challenges and collateral consequences that this created for the Unit.

Additionally, around the same time period as the County's transition to Workday, the Unit was moved from Purchasing to DEI, which created additional challenges for the Unit's employees in terms of carrying out their daily duties and responsibilities. For context, in June 2022, the County had 225 active contracts with MBE goals, which the Unit was responsible for monitoring for compliance. The Office was told the Unit performed minimal, if any, reviews of the monthly reporting on those contracts.

The Unit, with the help of OIT and other County agencies, tried unsuccessfully for nearly a year to resolve the technical issues that existed between PRiSM and Workday. There were several factors that contributed to this failure: a lack of resources; staffing changes within the Unit; the transition of the Unit from Purchasing to DEI; a shortage of historical knowledge within the Unit concerning the mechanics of PRiSM; and a lack of communication among the Unit, Purchasing, and OIT.

By spring 2023, nearly a year after the Workday transition, the Unit had instituted a manual workaround for compliance due to these continued technological issues. Specifically, the Unit used Excel spreadsheets to have prime contractors document payments made, and subcontractors document payments received, for work completed on projects with assigned MBE goals. Examples of the spreadsheets are attached as **Exhibit 3** and **Exhibit 4**. The Office was told that on a monthly basis, the Unit sent these spreadsheets via email to all prime contractors and subcontractors. The Unit was then tasked with manually reviewing the information submitted by the contractors for compliance with approved MBE contract paperwork. It also took nearly a year for the Unit to ask Purchasing to notify them electronically when any new contract was awarded so they could manually add new contracts to PRiSM.

By summer 2024, the integration issues between PRiSM and Workday persisted. Thus, on or about August 1, 2024, a decision was made for the Unit to begin manually adding contracts from fiscal year 2024, which covered the period July 1, 2023 to June 30, 2024, as well as any new contract information moving forward, into PRiSM. This was a tremendous administrative undertaking that required Unit employees to manually input hundreds of contract awards and

related information into PRiSM. Manual entry of this information is problematic for several reasons. First, it is extremely time-consuming. Second, it has a high possibility for human error. Third, it kept employees from performing their normal duties and responsibilities as required under the Executive Order. It is noteworthy that the Unit decided not to manually add many of the contracts that were in place prior to fiscal year 2024 because it would have been too onerous.

During summer 2024, a decision was also made to require vendors to start submitting their monthly reports directly into PRiSM. The Office was told that prime contractors and subcontractors were notified about this change by way of a memorandum, a copy of which is attached as **Exhibit 5**. Notwithstanding this memorandum, submitting monthly reporting directly into PRiSM could only occur if the contract and relevant MBE information had already been added into PRiSM; and a notification, with instructions, sent to the contractor. A review of this monthly reporting was still not occurring as the Unit's resources were being consumed by manual data entry. As of the date of this report, the Office does not believe that monthly reporting by prime contractors and subcontractors is regularly occurring on all County contracts with MBE goals.

#### IV. County Resources Wasted Due to PRiSM

The review found the PRiSM system had not been fully integrated into the necessary County financial systems. Thus, any funds spent by the County on PRiSM were at a minimum, not a good use of County resources and arguably a waste of funds. This includes not just the fees paid to the Vendor, but also the unquantifiable labor hours spent by various County employees in meetings discussing the integration problem, coming up with workarounds, and implementing those workarounds, which were very labor-intensive. The Office was told the 2018 and 2021 contracts were awarded to the Vendor as opposed to being competitively procured because no one outside of the Unit was aware of these issues.

Set forth in **Table 1** is a breakdown of the line items on Attachment A of the County's 2021 contract with the Vendor. The lines in yellow were functions of PRiSM intended to be utilized by other agencies, but they were never used. The lines in blue, while intended for the Unit, were never fully utilized for the reasons already discussed. The total annual cost of all items under the 2021 contract was \$177,532.

<b>Table 1</b>	
<b>Item Description</b>	<b>Amount</b>
On-line Vendor Registration, PCM-SW-MOD-VR2	\$5,596.00
Spend Management, PCM-SW-MOD-CSA2	\$5,596.00
Prevailing Wage Payroll Tier 5, PCM-SW-MOD-CPR5	\$19,996.00
Workforce Management, PCM-SW-MOD-WM2	\$5,596.00
Certification, PCM-SW-PS-UCM2	\$16,000.00
Solicitation and Sourcing, PCM-SW-PS-AQ2	\$12,000.00
Prompt Payment Management, PCM-SW-MOD-PMPT2	\$5,596.00
1391/1392 Report Management, PCM-SW-MOD-FHWA2	\$5,596.00
Data Export Service - Standard, PCM-SW-ADM-DXEXP (\$2,396.00 each)	\$9,584.00



<b>Table 1</b>	
<b>Item Description</b>	<b>Amount</b>
Compliance Suite*, PCM-SW-PS-CMP5	\$30,000.00
Certification Suite, PCM-SVC-IMP-UCMS2	\$15,996.00
Solicitation and Sourcing Suite, PCM-SVC-IMP-AQS2	\$7,996.00
All Modules except Certification and Pre-Qualification, PCM-SVC-IMP-STD2 (\$4,796.00 each)	\$23,980.00
Product Installation Database Engineering, PCM-SVC-ADM-DBE (\$280.00 each)	\$14,000.00
<b>Total Cost for 2021:</b>	<b>\$177,532.00</b>

Set forth in **Table 2** are all of the payments made by the County to the Vendor for the use of PRiSM between March 2008 and April 2025.

<b>Table 2</b>	
<b>Invoice Date</b>	<b>Amount</b>
03/18/2008	\$39,485.00
02/11/2009	\$9,871.25
09/21/2009	\$9,871.25
07/29/2010	\$10,520.00
05/19/2011	\$10,250.00
05/24/2012	\$10,250.00
03/27/2013	\$10,520.00
04/21/2014	\$10,520.00
03/23/2015	\$10,520.00
04/12/2016	\$10,520.00
04/18/2017	\$10,520.00
04/13/2018	\$19,363.00
05/29/2019	\$19,363.00
08/05/2020	\$35,000.00
04/16/2021	\$32,900.00
04/16/2021	\$2,100.00
04/08/2022	\$115,115.00
04/15/2022	\$15,000.00
08/08/2022	\$15,000.00
10/06/2022	\$15,000.00
01/10/2023	\$19,000.00
04/07/2023	\$115,560.00
04/01/2024	\$115,560.00
04/30/2025	\$75,785.00 <sup>8</sup>
<b>Total:</b>	<b>\$737,593.50</b>

<sup>8</sup> In March 2025, the Office told the Chief of Procurement and Logistic Services about the four line items that were intended for other agencies (see Table 1 – items highlighted in yellow) but had never been utilized. On April 10, 2025, the Chief of Procurement and Logistic Services informed the Vendor that the County no longer needed these items, and they were removed from future invoices. This is why the payment on April 30, 2025 in Table 2 is lower than the previous payments.

## V. The Office's Review of the Unit's Manual Compliance Process

### Identifying County Contracts with MBE Goals

In order to determine whether the Unit was routinely performing their manual compliance review of MBE contracts, the Office first had to determine the number of contracts that were subject to this review. Using the time period January 1, 2022 through March 31, 2025, the Office ran a report using Workday to determine how many County contracts the Unit was responsible for monitoring from an MBE compliance standpoint. The report showed the Unit had oversight of 350 County contracts with MBE goals, with contract values ranging from thousands of dollars to millions of dollars.<sup>9</sup> These contracts, which were associated with various agencies throughout County government, are summarized in **Table 3**.

<b>Table 3</b>		
<b>Primary County Agency</b>	<b>No. of Active Contracts with MBE Goals Between 01/01/22 and 03/31/25</b>	<b>MBE Goals</b>
Auditor	1	5%
Budget & Finance	6	5% - 20%
Corrections	2	10% - 14%
County-wide (or unspecified)	41	15% - 25%
DPWT – Solid Waste	6	5% - 25%
DPWT – Engineering & Construction	73	15% - 25%
DPWT – Highways	14	5% - 25%
DPWT – Traffic	11	15% - 30%
DPWT – Utilities	3	20% - 25%
Economic & Workforce Development	3	20% - 25%
Environmental Protection & Sustainability	30	15% - 30%
Health	10	10% - 20%
Housing & Community Development	4	25%
Human Resources	1	30%
Information Technology	8	15% - 23%
Permits, Approvals & Inspections	8	20%
Planning	4	8% - 31%
Police	2	25%
Property Management	122	10% - 33%
Vehicle Operations & Maintenance	1	10%
<b>Total Contracts with MBE Goals</b>	<b>350</b>	

As part of their business process, the Unit distinguishes between DPWT contracts and non-DPWT contracts. Of the 350 contracts summarized on Table 3, 107 of them were DPWT contracts and 243 were non-DPWT contracts. Most DPWT contracts are value-based contracts while most

<sup>9</sup> While it is possible that there are additional contracts that were awarded prior to January 1, 2022 and continued into 2025, for illustrative purposes, the Office chose a specific time period.

non-DPWT contracts are task-based.

In a standard value-based contract, the MBE goal is assigned based on the overall contract value. For example, a 20 percent goal on a \$100,000.00 DPWT sewer design contract would result in a goal of approximately \$20,000.00 being subcontracted to one or more certified MBEs. The Unit, through initial review of the contract and the MBE Plan Package, is supposed to confirm that the designated subcontractors are certified MBEs that are approved to perform the types of work set forth in the MBE Plan Package. Further, the Unit, through its receipt of monthly reporting from the contractors, is supposed to confirm that the designated subcontractors actually performed the work on the contract and were paid amounts consistent with the submitted MBE Plan Package. Typically, value-based contracts have multiple subcontractors, all of which must be monitored by the Unit.

Under a task-based contract, the MBE goal is incorporated into each task performed under the contract. For example, a \$40,000.00 printing task contract with a 10 percent MBE goal requires each task performed under the contract to have a 10 percent MBE goal. For example, under this contract, a single task of \$5,000.00 would have an MBE goal of \$500. Similar to a value-based contract, the initial contract and MBE Plan Package are supposed to be reviewed by the Unit, the proposed MBEs are to be vetted, and the monthly reporting should be examined for compliance with the terms of the contract and the MBE Plan Package.

#### Analysis of the Unit's Electronic Records

As noted earlier in this report, by spring 2023, the Unit had supposedly instituted a manual workaround that utilized Excel spreadsheets to ensure contractors were complying with what was contained in the MBE Plan Packages for active contracts and purchase orders that had MBE goals. This requisite reporting, which is to occur monthly, is supposed to include various information associated with each affected contract and purchase order along with the involved contractors. Such information would include the name of the project, the name of the prime contractor, the names of the prime contractor's designated MBE subcontractors, billing information, and payment information. Importantly, supporting documentation, also referred to in this report as payment verification documentation, is supposed to accompany the billing and payment information that is listed on the spreadsheets.

During the review, the Office was told by employees in the Unit that the monthly reporting submitted to the Unit by the prime contractors and their MBE subcontractors was housed on a shared drive maintained by the Unit. The Office was shown by Unit employees where these documents were situated on the drive. Thus, if the prime contractors and MBE subcontractors were adhering to the contract language contained in their MBE Plan Packages, a review of the Unit's electronic files should produce the following electronic records for each of the 350 contracts listed in Table 3:

- A folder with the contractor's name and the specific contract number<sup>10</sup>
- Monthly reporting by the prime contractor
- Payment verification documentation by the prime contractor

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<sup>10</sup> Some contractors have multiple contracts, which would be reflected in different contract folders under their name.

- Monthly reporting by the MBE subcontractors<sup>11</sup>
- Payment verification documentation by the MBE subcontractors

In March 2025, the Office was given direct access to the Unit’s shared drive. Using that access, the Office conducted a review of the Unit’s electronic files to determine if the Unit was performing its manual compliance on the 350 contracts. For simplicity purposes, the Office assumed that each contract folder represented only a one-year contract.<sup>12</sup> Thus, each contract folder should contain 12 spreadsheets, one for each month of the year, reflecting the prime contractor’s required reporting to the Unit on the contract. Further, each contract folder should contain 12 spreadsheets reflecting the MBE subcontractor’s required reporting to the Unit on the contract. If a contract had multiple MBE subcontractors working for the prime, the contract folder should contain 12 spreadsheets for each of the MBE subcontractors. Additionally, payment verification documentation should be included in the contract folders to support the data on the spreadsheets.

Using the detailed Workday report that was the basis for the data summarized in Table 3, the Office reviewed each of the 350 contracts listed on the report. Initially, the Office simply looked to see if there was a folder on the Unit’s shared drive for each of the 350 contracts that contained anything at all that was compliance-related, even if it was only one spreadsheet from one contractor. The Office then summarized this initial review of the Unit’s electronic records, grouping its findings by DPWT contracts and non-DPWT contracts. As noted earlier in the report, there were 107 DPWT contracts and 243 non-DPWT contracts during the period examined by the Office. The results are set forth in **Table 4**.

<b>Table 4</b>				
<b>Type of Contract</b>	<b>No. of Contracts Reviewed</b>	<b>No. of Contract Folders Containing Any Amount of Compliance Reporting</b>	<b>No. of Contract Folders Not Located</b>	<b>% of Contract Folders Not Located</b>
DPWT	107	58	49 <sup>13</sup>	46%
Non-DPWT	243	128	115	47%
<b>Totals</b>	<b>350</b>	<b>186</b>	<b>164</b>	<b>47%</b>

The significance of a contract folder being “not located” is either the Unit had received monthly reporting on the contract but had never saved it to their electronic records, or the Unit had never received any monthly reporting on the contract. Either of these scenarios is concerning from a compliance standpoint. As can be seen in Table 4, approximately 47% of the 350 contracts examined, which is almost half of the 350 contracts, had no folder established on the Unit’s shared drive containing any compliance-related documentation.

The Office then performed a more thorough analysis of the 186 contract folders found on

<sup>11</sup> Some contracts could have multiple MBE subcontractors. Each of the MBE subcontractors is required to submit monthly reports to the Unit. Each MBE subcontractor should have their own folder under the contract.

<sup>12</sup> Because many County contracts cover multiple years, this was a conservative approach to this analysis.

<sup>13</sup> Included in this figure was one contract folder that while located, did not contain any compliance-related documents.

the Unit's shared drive that contained at least some type of compliance documentation. The purpose of this more extensive analysis was to see just how consistent the Unit was when it did decide to adhere to its manual compliance process. Again, assuming that each contract was only for one-year, the Office would have expected to find 12 spreadsheets submitted by the prime contractor and 12 spreadsheets submitted by each of the MBE subcontractors assigned to the contract.<sup>14</sup> The Office also expected to find payment verification documentation to support the information contained on the submitted spreadsheets. The Office opened every contract folder and manually counted the number of prime contractor reporting spreadsheets and MBE subcontractor reporting spreadsheets. The Office also noted if payment verification documentation existed. The Office gave full credit for payment verification if the folder contained any documentation at all, including a single canceled check or invoice. The Office summarized its findings in **Table 5**.

<b>Table 5</b>					
<b>Type of Contract</b>	<b>No. of Contracts Reviewed</b>	<b>No. of Contract Folders Containing Any Amount of Compliance Reporting</b>	<b>No. of Contract Folders with 12 or More Prime Contractor Spreadsheets</b>	<b>No. of Contract Folders with 12 or More MBE Subcontractor Spreadsheets</b>	<b>No. of Contract Folders with Copies of Payment Verification Documentation</b>
DPWT	107	58	13	9	18
Non-DPWT	243	128	35	12	30
<b>Totals</b>	<b>350</b>	<b>186</b>	<b>48</b>	<b>21</b>	<b>48</b>

In **Table 6**, the Office showed the results from Table 5 as percentages of the number of contracts reviewed, broken down by contract type.

<b>Table 6</b>					
<b>Type of Contract</b>	<b>No. of Contracts Reviewed</b>	<b>No. of Contract Folders Containing Any Amount of Compliance Reporting</b>	<b>% of Contract Folders with 12 or More Prime Contractor Spreadsheets</b>	<b>% of Contract Folders with 12 or More MBE Subcontractor Spreadsheets</b>	<b>% of Contract Folders with Copies of Payment Verification Documentation</b>
DPWT	107	58	12%	8%	17%
Non-DPWT	243	128	14%	5%	12%
<b>Totals</b>	<b>350</b>	<b>186</b>	<b>14%</b>	<b>6%</b>	<b>14%</b>

### Noteworthy Items

During its review of the Unit's manual compliance process, the Office found a few items that are noteworthy in that they highlight the importance of conducting meaningful compliance throughout a contract. For example, in one of the 350 contract folders examined by the Office,

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<sup>14</sup> The MBE Plan Package requires monthly reporting even if no payments are made or received. For example, if a prime contractor made no payments to an MBE subcontractor for the month of October 2023, on November 10, 2023, both the prime contractor and the MBE subcontractor were required to submit an Excel spreadsheet for the relevant contract and note that no payments had been made/received for October 2023.

email correspondence from the Unit to a prime contractor was found, which noted the prime contractor had failed to perform any monthly reporting under their contract. In the email, the Unit reminded the contractor of their reporting obligations. In response, the prime contractor wrote “[w]e performed this work in-house with our employees and didn’t pay any subcontractors.” The Office then reviewed the contract associated with this email and determined the original contract was a non-DPWT, task-based contract with a value of \$1,028,913.98. The MBE goal assigned to this contract was 25 percent. Thus, pursuant to the submitted and approved MBE paperwork, approximately 25 percent of each task performed under the contract should have been subcontracted to the MBE subcontractor who had been designated by the prime in the MBE Plan Package. In other examples, the Office located several email responses from prime contractors who, after being reminded of their failure to perform monthly reporting, indicated that they intended to use the designated MBE subcontractors moving forward on future tasks. These emails implied that the prime contractors had not used their designated MBE subcontractors on prior tasks in violation of their submitted and approved MBE Plan Packages.

## VI. Conclusion

The Office’s review of the Unit determined the Unit was not fulfilling its duties and responsibilities under the Executive Order. The Unit was understaffed and never fully utilized PRiSM due to a variety of technical issues. These technical issues have been present for years; and as of the date of this report, they are still occurring. For the Unit to be effective, it needs appropriate staffing and the ability to fully utilize a software system, designed specifically to assist with their duties and responsibilities, that works in concert with the County’s financial system. Otherwise, the Unit is left with creating workarounds and implementing manual processes that are inefficient and time-consuming. Such stopgap measures are what led to the Unit not fulfilling its compliance duties, as reflected in the Office’s findings set forth in Table 4, Table 5, and Table 6. Thus, a concerted effort should be made to either work to resolve the technical issues between PRiSM and Workday or transition to a different software system that would be more compatible. This report is not intended to imply that PRiSM is an ineffective software program. Rather, this report highlights the failure by the County to fully utilize a resource that has cost the County \$737,593.50 between March 2008 and April 2025. It is important to note that included in that cost are the items, highlighted in yellow in Table 1, which totaled \$36,784 per year from 2021 until 2024. This equated to the County paying \$147,136 to the Vendor over those four years for PRiSM add-ons that were never utilized.

Because the Unit has not been performing routine MBE compliance on County contracts, the Office is unsure if the County is meeting its MBE goals. Compliance on these contracts is essential – without it there is no way to ensure the contractors are abiding by the established MBE goals and the rules governing the MBE program. Every contract should be reviewed for MBE compliance. As of November 21, 2025, the Office logged into PRiSM and noted that 246 contracts still needed MBE-related data to be manually entered by the Unit into PRiSM. Thus, compliance cannot be performed on these contracts until all relevant data has been added to the system. Additionally, as noted earlier in the report, there were still 10,745 “active” contracts in PRiSM as of November 21, 2025. This data must be reviewed and if necessary, removed so meaningful reports can be run by the Unit as part of their compliance process. The Office was encouraged

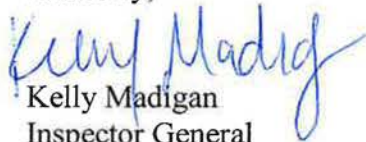
that there is a goal set to remove all extraneous information from PRiSM by December 31, 2025. Finally, contractors must be held accountable for not submitting required monthly reports to the Unit, including payment verification documentation. Without such documentation, the Unit is essentially permitting prime contractors and their subcontractors to operate under the "honor system."

Based on the results of the Office's review of the Unit, the following recommendations are made to the Administration:

- An operational audit of the Unit and PRiSM should be conducted to determine what, if any, additional resources are necessary. This decision should include what is the best software system for the Unit.
- If it is decided to stay with PRiSM, all extraneous information should be removed from PRiSM by December 31, 2025.
- There should be enhanced training on PRiSM or any software system utilized by the Unit.
- The Unit should be incorporated into the new Office of Budget and Finance procurement system (Open Gov) and there should be proper pre-transition and transition meetings with the Unit.
- Compliance must be a priority for the Unit. A list of prime contractors and subcontractors that have not been compliant with MBE goals and paperwork should be created.
- A system should be created to ensure underutilized MBEs are getting opportunities.
- The Administration needs to begin holding contractors accountable for not adhering to MBE goals and mandatory reporting through the use of cure letters and penalties.

This matter is being referred to you for an official response. Please respond in writing by December 24, 2025, indicating what action has been taken or what action you intend to take regarding this matter. Should you have any questions, please do not hesitate to contact me.

Sincerely,



Kelly Madigan  
Inspector General  
Office of the Inspector General

cc: Katherine A. Klausmeier, County Executive  
Amanda Conn, Chief of Staff  
James R. Benjamin, Jr., County Attorney  
Kevin Reed, Director, Office of Budget and Finance  
Renee Coleman, Director, Office of Human Resources  
James H. Stevenson, Chief of Procurement and Logistic Services, Purchasing Division

## EXHIBIT A SYSTEM OVERVIEW

Contractor shall provide and be responsible for the ASP hosting services and Contractor's software, a 100% web based out-of-the-box enterprise solution to support the County more effectively monitor minority and non-minority participation on contracts and measure the attainment of goals against contract commitments as well as enhanced services to the contractor community and to streamline operations around the management of the program. The implementation of an automated Minority Compliance Software System will increase the County's capability to achieve objectives, make information driven decisions, and streamline operations as described in the Bid.

Contractor shall provide and shall be responsible for the installation, project management, project management documentation including but not limited to the project schedule and the Scope of Work, implementation, configuration, documentation, testing, training, CGI/AMS interface, and support of the most current version of Contractor's computer software application know as PRISMCompliance.com. Contractor agrees that County may add or remove modules at any time during the term of this Agreement, as needed and as requirements change.

### **A. Software Licensing Subscription – annual fee**

- PRISMCompliance.com Enterprise License:
  1. Vendor management module
  2. Contract management module
  3. Compliance management module
  4. Outreach management module

The following are included at no additional cost:

- Unlimited, access to hosted PRISMCompliance.com for contracted term
- Unlimited number of PRISMCompliance.com users
- Unlimited concurrent users with paid license
- Unlimited PRISMCompliance.com access to all system functionality of modules purchased
- All upgrades, enhancements and new version releases
- Any and all customizations including but not limited to CGI/AMS Financial System Interface
- Unlimited customer/technical support for staff
- Access to online group training seminars
- Online support through email and the Internet 24 x 7
- Toll free, local phone numbers, and any applicable direct access or after hours numbers

**B. PRISMCompliance.com Support – annual fee after Final Acceptance, includes hosting fee** available twenty-four hours a day seven days a week, for use except national holidays or as prearranged with the County, however support shall be provided 6am – 6pm Eastern Standard Time, Monday – Friday except as stated above.

**C. Hardware/Server/Networking:** Contractor is hosting the system, the hosting fee is included in the annual support fee.

**D. Implementation/System Configuration and Set-up –** led by Contractor's implementation specialists: Conducts onsite Project kick-off session with project stakeholders:

- Conduct project confirmation session of business rules, regulations, processes, workflow, and desired external system integration(s).
- Conduct weekly implementation status meetings between the Contractor implementation specialists and the County Project Manager (and required staff)
- Create an agency-specific training environment, which is used by the County to train employees and test new releases prior to moving new releases into production.
- Perform any configuration customizations required during initial setup of the system.



- Provide support for the ongoing training initiatives and sessions delivered by the trained trainers. This may include discussions with the implementation specialist on best practices or answering and providing support for questions that may arise during training sessions.
- Configure all required external – facing County web sites.
- Integrate County new production web pages into County existing agency website.
- Establish the County's PRISMCompliance.com production and training/test environments.
- Provide overall production planning and rollout support
- Provide overall project support, where needed.
- CGI/AMS Financial System Interface current production version

#### **E. Services.**

- CGI/AMS Financial System interface current production version
- Import of MDOT and Baltimore certified directories

#### **F. Training**

- On-site, instructor led, train-the-trainer, hard copy training materials, required user exercises and user guides; inclusive of all travel and expenses.

#### **G. Minimum System Functionality includes:**

- Contract Compliance Management
  1. Monitor prime and subcontractor payment transactions
  2. Total dollar paid to participants
  3. Displayed as dollars and percents participation ethic groups
  4. Contract attainment: derived from dollar amounts paid-to-date to subcontractors and contract amount
  5. Predictive performance indicators
  6. Generate statistical reports
  7. Participant subcontractors verify contractor payment data online including prompt payment of subcontractors
- Vendor/Contractor Management
  1. Personal profile, maintainable by client or vendor
  2. Capture prime and subcontract name, phone, fax, email
  3. Categorize vendors by race and gender
  4. Track vendor insurance against contract requirements
  5. Multiple addresses
  6. View certification type and status
  7. Track and sort vendors by industry and services
  8. Append custom fields
  9. Public Vendor eDirectory
  10. Minority Directory by Industry
  11. Minority Directory (alphabetic)
- Outreach Management
  1. Create outreach projects
  2. Add vendors based upon certification status, NACIS/NIGP code, location; then distribute notices by fax or email
  3. Post solicitations and related procurement notices to vendors

**EXHIBIT B**  
**SOFTWARE LICENSE FEES AND PAYMENT SCHEDULE**

- A. PRISMCompliance.com Enterprise Licensing Subscription: (initial fee)..... SUB TOTAL: \$24,985**
- Vendor Management Module, \$3,610
  - Contract Management Module, \$10,688
  - Compliance Management Module, \$7,125
  - Outreach Management Module, \$3,562
  - Support Initial Term, includes annual hosting fee, \$10,520

- B. Hardware/Server Network working: (Hosting fee included in Support fee)..... SUB TOTAL: \$ 00**

- C. Implementation/System Configuration and Set-up: (One time fee)..... SUB TOTAL: \$ 6,850**
- Includes: 1) customized notification & portal at a web address of the County's choice, 2) project management, 3) current process review, 4) project kick-off, 5) accounts setup for all staff users, 6) train-the-trainer, one class
- Implementation/System Configuration and Account Setup
  - Contract Compliance Module
  - Outreach Module

- D. Services (One time fee)..... SUB TOTAL: \$ 7,200**
- CGI/AMS interface for payment data, \$6,700
  - Import of MDOT and Baltimore certified directories (as a single combined file), \$ 500

- E. Training, additional class..... SUB TOTAL: \$ 450**
- Train-the-trainer, County site, includes all training materials, required user exercises, user guides, etc. inclusive of all travel expenses; maximum number of trainees: 5

- F. Expenses:** All initial expenses are included in the above line items.

**INITIAL TERM TOTAL: \$39,485**

**H. Optional/Additional Items:**

- Support, annual, after Final Acceptance, includes hosting fee, \$10,520 (escalation pursuant to Paragraph 4 of this Agreement).
- Training, onsite, 1 day, inclusive of all travel fees and expenses, \$450
- Training, web-based, includes all training materials, required exercises, user guides, etc., \$195 per person.
- Time and Materials, after initial installation, \$125 per hour, inclusive of all travel fees and expenses.

- I. Payment.** The County shall pay the Contractor upon receipt of invoices in the proper form pursuant to Section 3 of this Agreement as set forth and described herein as follows:

**1) Software License and Setup fees:**

- a) 25% upon approved project schedule and scope of work
- b) 25% upon Go Live
- c) 25% upon Acceptance of the System
- d) 25% upon the execution of Final Acceptance Notice for the applicable Product

**2) Service Fees:**

- a) Service fees due upon completion of the applicable Service.
- b) Subsequent years Licensing Service/Support fee annually. Contractor may only invoice annual fees as of the first day of the then-current term.

THE ABOVE ARE IN ADDITION TO ANY OTHER SERVICES AS SET FORTH IN THE INVITATION TO BID 206516 AND THE BID RESPONSE.

## ATTACHMENT A

### FEE SCHEDULE

#### ANNUAL SUBSCRIPTION

Qty 1: On-line Vendor Registration, PCM-SW-MOD-VR2		\$5,596.00
Qty 1: Certification, PCM-SW-PS-UCM2		\$16,000.00
Qty 1: Solicitation and Sourcing, PCM-SW-PS-AQ2		\$12,000.00
Qty 1: Spend Management, PCM-SW-MOD-CSA2		\$5,596.00
Qty 1: Prevailing Wage Payroll Tier 5, PCM-SW-MOD-CPR5		\$19,996.00
Qty 1: Workforce Management, PCM-SW-MOD-WM2		\$5,596.00
Qty 1: Prompt Payment Management, PCM-SW-MOD-PMPT2		\$5,596.00
Qty 1: 1391/1392 Report Management, PCM-SW-MOD-FHWA2		\$5,596.00
Qty 4: Data Export Service – Standard, PCM-SW-ADM-DXEXP	\$2,396.00 each	\$9,584.00
Qty 1: Compliance Suite*, PCM-SW-PS-CMP5		\$30,000.00

#### SOFTWARE IMPLEMENTATION SERVICES

Qty 1: Certification Suite, PCM-SVC-IMP-UCMS2		\$15,996.00
Qty 1: Solicitation and Sourcing Suite, PCM-SVC-IMP-AQS2		\$7,996.00
Qty 5: All Modules except Certification and Pre-Qualification, PCM-SVC-IMP-STD2	\$4,796.00 each;	\$23,980.00
Qty 50: Product Installation Database Engineering, PCM-SVC-ADM-DBE	\$280.00 each;	\$14,000.00

The parties agree that for the term of the Agreement, and provided that County is not in default, and if Early Morning Software Inc offers new products or services, that such new offering may be added to the fee schedule for County. The parties will negotiate a mutually agreed upon pricing for such additional products.

PLEASE COMPLETE AND RETURN BY THE 10TH OF THE MONTH UNTIL PROJECT IS COMPLETE.

FOR THE REPORTING PERIOD ENDING	Mar, 2023	(Month/Year)
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Prime Contractor:	
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Prime Contract Amount:	
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Name of Project:	
------------------	--

Contract Number:	
------------------	--

Prime Payment to the Subcontractor

Contract/Purchase Order Number PO or DO number	Contract name (if DPWT Contract provide contract number and name)	Prime Tax ID (no hyphen))	Sub Tax ID (no hyphen)	Sub Role (MBE, DBE,SBE)	Invoice Number	Amount Paid (Required)	Date Paid (Required)	Unique Transaction Reference (Required Payment verification	Prompt Payment (Y/N)	Prevailing Wage (Y/N)
EXAMPLE: PO240001	22007 GX0: Upper Scotts Level Branch Stream Restoration	50010003	50010004	MBE	66	12,000.00	11/11/2016	ref34	N	Y

PLEASE COMPLETE AND RETURN BY THE 10TH OF THE MONTH UNTIL PROJECT IS COMPLETE.

FOR THE REPORTING PERIOD ENDING

December 2023

(Month/Year)

Subcontractor

Prime Contractor

Name of Project:

Total Amount Paid

MDOT Certification Number:

Subcontract Amount:

Contract Number:

Amount Paid to Date:

Contract/Purchase Order Number PO or DO number)	Contract name (if DPWT Contract provide contract number and name)	Sub Role (MBE, DBE,SBE)	Invoice Number	Amount Paid (Required)	Date Paid (Required)	Unique Transaction Reference (Required Payment verification	Prompt Payment (Y/N)	Prevailing Wage (Y/N)
EXAMPLE: PO240001	22007 GX0: Upper Scotts Level Branch Stream Restoration	MBE	66	12,000.00	11/11/2016	ref34	N	Y

Comments:

☐

CERTIFY THAT THE ABOVE INFORMATION IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE.

Prepared By:

Telephone #:

Email Address:

Title:

Date:



JOHN A. OLSZEWSKI, JR.  
*County Executive*

SEVETRA PEOPLES-BROWN  
*Executive Director, Human Relations Commission  
Chief of Diversity, Equity & Inclusion Division*

## MEMORANDUM

**TO:** Primes Contractors and Subcontractors  
**FROM:** Baltimore County Minority and Women-Owned Business Enterprise Program  
**DATE:** August 1, 2024  
**SUBJECT:** PRISM Contract Compliance Management System

Please be advised that **the County has resumed its compliance operation within the PRISM Contract Compliance Management System.** You will begin to receive notices from the system, alerting you that your contract(s) with a MWBE goal, awarded with Baltimore County on or within the July 1, 2023 and June 30, 2024 timeframe (fiscal year 2024) requires action related to payment verification.

**Once you receive the notice from PRISM,** you will no longer need to complete the *Prime Payment or Subcontractor Acknowledgement of Payment Spreadsheet* (as applicable) for submission to your Compliance Officer. Please continue to utilize the spreadsheet for reporting purposes, until you receive a notification.

As you are aware, compliance with all contract terms is a requirement on your agreement with the County. This includes MWBE goals. Please note that any modification to the executed MBE/WBE Participation Plan will require prior approval from the County.

Failure to comply with the contract requirements is a breach of your agreement and could be grounds for the County to take the following actions:

- Declare you a non-responsible contractor;
- Place you on a list of contractor's ineligible for further contract awards with the County; and/or
- Apply penalties and/or liquidated damages.

Should you have any questions about compliance, your MBE/WBE Participation Plan, accessing the system, or other inquiry please contact the MWBE Help Desk at [mwbe@baltimorecountymd.gov](mailto:mwbe@baltimorecountymd.gov) or call 410-887-3407. Our team of Compliance Officers are available to assist, support and provide you with guidance.

Thank you for your participation in the County's procurement and MWBE program. We greatly value your business and service.



KATHERINE A. KLAUSMEIER  
County Executive

D'ANDREA L. WALKER  
County Administrative Officer

December 23, 2025

Ms. Kelly Madigan  
Inspector General  
Office of the Inspector General  
Baltimore County Government  
400 Washington Avenue  
Towson, Maryland 21204

RE: OIG Investigative Report – Case No. 25-014

Dear Ms. Madigan:

Thank you for this report. I have reviewed the findings with appropriate staff. As you are aware, effective July 1, 2025, the Minority and Women Business Enterprise program has been moved back to the Division of Purchasing Services, under the Office of Budget and Finance (OBF). Since then, the Division has been working to fully integrate and utilize the PRiSM system. Specifically, for goal setting and compliance.

We are happy to report that as of July 1, 2025, the Division has issued a total of eight cure letters to Primes for non-compliance with their MWBE utilization commitments. This includes one multi-year contract and seven DPWT one-time contracts where the Primes failed to meet their committed goals. In addition to the cure letters, the Division has also issued two penalty letters, resulting in over \$300,000 in assessed fines due to continued non-compliance and insufficient corrective action from the vendors involved.

Several recommendations have been made to the Administration, which are presented along with responses below.

**Recommendation:** *An operational audit of the Unit and PRiSM should be conducted to determine what, if any, additional resources are necessary. This decision should include what is the best software system for the Unit.*

**Response:** Since the July 1 transfer back to OBF, we have been evaluating, and will continue to evaluate, existing human capital resources with potential additional needs and any changes in software.

**Recommendation:** *If it is decided to stay with PRiSM, all extraneous information should be removed from PRiSM by December 31, 2025.*

**Response:** Upon the advent of PRiSM, all contracts and PO's were entered into PRiSM, even though they did not have an MWBE goal assigned. The thinking, at the time, was that this would capture total dollars spent vs. dollars spent for MWBE goals and provide a comprehensive snapshot of program performance. The Division has been working to close out all unnecessary information and will only include necessary information going forward.



**Recommendation:** *There should be enhanced training on PRiSM or any software system utilized by the Unit.*

**Response:** Our staff has been trained on the system.

**Recommendation:** *The Unit should be incorporated into the new Office of Budget and Finance procurement system (OpenGov) and there should be proper pre-transition and transition meetings with the Unit.*

**Response:** OpenGov is utilized as the e-procurement system as an easier interface for vendors and procurement staff. OpenGov currently is not designed for compliance for MWBE goals.

**Recommendation:** *Compliance must be a priority for the Unit. A list of prime contractors and subcontractors that have not been compliant with MWBE goals and paperwork should be created.*

**Response:** Compliance is a priority for the Unit. The Division currently tracks and will provide at the end of each Fiscal Year a list of primes and subcontractors whose contracts were not renewed due to non-compliance.

**Recommendation:** *A system should be created to ensure underutilized MWBEs are getting opportunities.*

**Response:** The Division is now doing proactive outreach by attending MWBE events on a more regular basis, and is part of the pre-bid conferences in order to address questions and/or concerns with goals. OpenGov also reaches a larger pool of vendors compared to in the past when notices were just posted on the County website.

**Recommendation:** *The Administration needs to begin holding contractors accountable for not adhering to MWBE goals and mandatory reporting through the use of cure letters and penalties.*

**Response:** As previously stated, over the past six months, the Division has issued a total of eight cure letters to Primes for non-compliance with their MWBE utilization commitments, and has also issued two penalty letters, resulting in over \$300,000 in assessed fines due to continued non-compliance and insufficient corrective action from the vendors involved.

Sincerely,



D'Andrea L. Walker  
County Administrative Officer

cc: James R. Benjamin, Jr., County Attorney  
Kevin D. Reed, Director of Budget and Finance  
Renee Coleman, Director, Office of Human Resources  
James Stevenson, Director of Procurement and Logistic Services