



THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Wednesday, January 31, 2024

Testimony in Support of Senate Bill 420: MCE - Preferred Provider - Removal

This bill repeals Maryland Correctional Enterprise's (MCE) status as a preferred provider under State procurement law, and further repeals the Pricing and Selection Committee for Preferred Providers' oversight over MCE's pricing and sales..

The repeal of Maryland Correctional Enterprises' preferred provider status is a positive step towards promoting fair competition within the State's procurement processes. Opening up opportunities to a broader range of vendors fosters a competitive market, ensuring the best value for the State.

In the fiscal year of 2020, MCE's total sales were over \$55 million dollars. 99% of these sales were to State agencies. This is a considerable amount of revenue that our minority businesses could have benefited from. If we truly would like to create equity in opportunity and see our minority businesses thrive, it is time that we close this loophole.

Eliminating the preferred provider status for MCE encourages innovation and efficiency in the procurement process. Allowing a more diverse pool of suppliers to participate can lead to cost savings, improved service quality, and increased innovation in the delivery of goods and services.

Repealing these provisions enables the State to adapt more effectively to changing market dynamics. By removing preferential treatment, the State can respond more agilely to shifts in the marketplace, ensuring that procurement practices remain aligned with current needs and industry trends.

The repeal facilitates a more transparent and accountable evaluation of MCE's performance without the constraints of preferred provider status. Regular evaluations are crucial to maintaining the effectiveness and integrity of the State's procurement processes.

I urge the committee to contribute to a more robust and equitable procurement environment in the State by voting favorably on SB 420

Respectfully,

A handwritten signature in blue ink, appearing to read "Antonio L. Hayes". The signature is fluid and cursive, with the first name "Antonio" being the most prominent part.

Senator Antonio L. Hayes
40th Legislative District – MD