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February 20, 2024

The Honorable Joseline A. Pena-Melnyk  
Chair, House Health and Government Operations Committee  
241 House Office Building  
Annapolis Maryland 21401

***Re: Letter of Opposition – House Bill 780 – Competitive Sealed Proposals – Private Security Contracts***

Dear Chair Pena-Melnyk and Committee Members:

The Maryland Department of Transportation (MDOT) respectfully opposes House Bill 780, as it would have the potential to hinder competition and complicate the procurement process. House Bill 780 would require the MDOT to use the competitive sealed proposals method of procurement when selecting a private security contractor when the contract value is expected to exceed \$100,000.

Currently, State procurement law identifies multiple methods available to State procurement officials depending on the nature and circumstances of the procurement. Historically, MDOT has conducted private security procurements using either the Competitive Sealed Bidding or Multi-step Sealed Bidding procurement method because the scope of work and contract requirements are clear.

Competitive Sealed Bidding is used when there are little to no technical elements, other than the contractor's ability to provide the service, upon which MDOT needs to evaluate bidders. Multi-Step Sealed Bidding is a two-phase process. First, bidders submit unpriced technical offers to be reviewed. Next, those bidders whose technical offers have been found to be acceptable during the first phase have their bid prices considered. This method is used when the procurement officer determines that it is impracticable to prepare specifications to support an award based solely on bid price.

The Competitive Sealed Proposals procurement method requires significantly more labor and time to construct a Request for Proposals (RFP) and devise evaluation criteria. Proposals are independently evaluated by a committee that advises the procurement officer in determining the most advantageous offer. This method allows for discussion and clarifications with offerors about their proposals and for best and final offers.

Requiring the Competitive Sealed Proposals method would prolong the procurement process by four to twelve months. Competitive Sealed Bidding typically takes six months, and Multi-step Sealed Bidding method usually takes eight months. Competitive Sealed Proposals typically take 12 to 18 months. The greater subjectivity of the Competitive Sealed Proposals method could also expose the State to more protest actions from vendors and delayed awards.

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The MDOT has traditionally worked with a wide variety of providers and awarded private security contracts to businesses of all sizes, including Small Business Enterprises and Minority Business Enterprises. The Competitive Sealed Proposals process could have the effect of limiting competition, specifically pertaining to small businesses. Depending on an RFP's requirements, small businesses may not have the resources to submit proposals.

Additionally, contract costs could rise if this legislation leads to a decrease in competition. Procurement officers currently have the discretion to determine which procurement method is in the best interest of the State.

For these reasons, the Maryland Department of Transportation respectfully requests the Committee grant House Bill 780 an unfavorable report.

Respectfully submitted,

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Maryland Department of Transportation  
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