

SB0196 - SHA - LOS - Procurement - Electronic Tran

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Position: FAV

January 22, 2025

The Honorable Guy Guzzone
Chair, Budget and Taxation Committee
3 West Miller Senate Office Building
Annapolis, MD 21401

Re: Letter of Support – Senate Bill 196 - Procurement – Electronic Transactions – Clarification of Fees Due

Dear Chair Guzzone and Committee Members:

The Maryland Department of Transportation (MDOT) offers the following letter of support for the Committee's consideration of Senate Bill 196.

Currently, State Finance and Procurement Article §13-226 requires that any fee charged for conducting a procurement using electronic means shall be deposited into the Operations Revenue Fund of the state. SB 196 amends the law so that only those fees that are due to the State are deposited to the fund.

MDOT currently posts public notice of all solicitations for the State Highway Administration (SHA) and Maryland Transportation Authority on Maryland's online procurement system, eMaryland Marketplace Advantage (eMMA), as required by State Finance and Procurement Article §13-103. However, eMMA is not tailored to meet the specific needs and business functions of MDOT's procurement of construction projects, including roads, highways, bridges, wetlands mitigation, and facilities maintenance. Therefore, MDOT contracts to use BidX, a transportation industry specific e-procurement platform. SB 196 would allow fees owed to BidX under subsequent contracts to be paid to the vendor rather than require that these fees be paid into the Operations Revenue Fund.

MDOT has used BidX since 2017 due to its numerous advantages that support the Department's procurement needs. BidX holds larger files types and sizes, integrates a bond verification mechanism, includes mobile device functionality, and interfaces with MDOT's critical planning, estimating, and construction close-out systems to optimize operations. In 2022, the SHA met with the Department of General Services to strategize eMMA integration with MDOT's e-constructions systems. The parties determined that eMMA would require substantial software development, at a significant financial and temporal cost to the state, to satisfactorily replace the functionality available through BidX. Board of Public Works staff recommended that MDOT seek a change in law to allow BidX to function using the subscription-based funding mechanism. If MDOT is required to stop using BidX after the current contract ends, the Department would be forced to return to paper-based processes that add costs for time and labor to the procurement process.

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Vendors using BidX pay a monthly subscription for access to bidding opportunities in 39 States, including Maryland. The subscription fee is paid directly to BidX. Currently there is no mechanism to deposit funds paid by a vendor into the State Operations Revenue Fund. The fee is also not limited exclusively for Maryland use; therefore, it cannot be deposited into the State Operations Revenue Fund associated with Maryland. Subcontractors – including Minority Business Enterprises, Disadvantaged Business Enterprises, Small Business Enterprises, suppliers, and vendors – who do not plan on directly bidding on contracts have limited free access to BidX to search solicitations.

For these reasons, the Maryland Department of Transportation respectfully requests the Committee grant Senate Bill 196 a favorable report.

Respectfully submitted,

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