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MARYLAND DEPARTMENT OF GENERAL SERVICES  
OFFICE OF THE SECRETARY

**BILL:** House Bill 649  
State Finance and Procurement – Procedures

**COMMITTEE:** House Health and Government Operations

**DATE:** February 25, 2020

**POSITION:** Support with Amendments

Department of General Services (DGS) provides this letter in support of House Bill 649.

Chapter 590 2017 Maryland Laws (House Bill 1021), provided that on October 1, 2019 The Office of State Procurement (OSP), which resides within DGS, became responsible for procurements previously conducted by the Department of Budget and Management (DBM), the Department of Information Technology (DoIT) and the Department of Public Safety and Correctional Services capital construction (DPSCS). House Bill 649 makes a technical change, removing DBM and DoIT as designated procurement units while DGS and the Department of Transportation remain as designated procurement units under the State Finance and Procurement Article. These changes are necessary for consistency the State's procurement reform effort.

To correct a drafting error, attached you will find an amendment that addresses the Pricing and Selection Committee for Blind Industries and Services of Maryland and the Employment Works Program (PSC). The PSC is tasked with reviewing and verifying prevailing average market prices as determined by Maryland Correctional Enterprises (MCE) of new and existing (when there is a change in price) services and supplies offered by MCE. This change leverages the PSC as the single point of responsibility for establishing and/or verifying pricing for Preference Programs. The Department of Public Safety & Correctional Services along with MCE support this amendment and, which negates their fiscal impact.

House Bill 649 removes the \$1 million restriction on the use of auctions as a procurement method. Services, in addition to supplies, would also be able to be procured through auctions. This change allows primary units the flexibility to use this underutilized procurement method. Attached you will find a second amendment that restores the requirement to post each bid as it is received, ensuring transparency in the bidding process.

House Bill 649 requires posting a notice of a procurement **and** a notice of an award in eMaryland Marketplace Advantage (eMMA). Current law requires only posting a notice of a procurement **or** a notice of an award in eMMA. This change increases consistency and transparency of procurements throughout the State, reflects standard and generally accepted public procurement practice in other states, provides Maryland citizens and suppliers notice of public business activities, and helps small businesses in Maryland partnership opportunities with prime contractors that are awarded work in the State.

For additional information, contact Ellen Robertson at 410-260-2908.

