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OFFICE OF THE SECRETARY

BILL: Senate Bill 737
Comprehensive Conservation Finance Act

COMMITTEE: Senate Education, Health and Environmental Affairs

DATE: February 23, 2021

POSITION: Letter of Information

Upon review of Senate Bill 737 - Comprehensive Conservation Finance Act, the Department of General Services (DGS) provides these comments for your consideration.

Senate Bill 737 provides that the Department of Natural Resources (DNR), Department of Agriculture (MDA) and the Maryland Environmental Trust (MET) must enter into pay-for-success contracts for procurements related to a certain program. Senate Bill 737, lists DNR, MDA and MTE as "Designated Procurement Units". None of these units are "Designated Procurement Units". Currently, DNR, MDA and MET are required to bring procurements over \$50,000 to the DGS Office of State Procurement (OSP) as the designated procurement unit for these State Agencies. It appears that Senate Bill 737 is contradictory in allowing these agencies to conduct certain procurements, as they are not eligible to conduct procurements of this size. DGS suggests amending Senate Bill 737 to include DGS as an agency that may use this procurement method.

DGS notes that the Energy Performance Contract (EPC) program is also a performance-based program, outlined in State Finance and Procurement § 12-301. DGS is responsible for the contract management and procurements associated with this program. This statute was enacted in 1993 and DGS has had active contracts under it since then.

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

