

Larry Hogan
Governor

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Lt Governor



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Secretary

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Deputy Secretary

OFFICE OF THE SECRETARY

BILL: House Bill 1092 – State Procurement – Emergency & Expedited
Procurements – Revisions & Reporting
COMMITTEE: House Appropriations & Health & Government Operations
DATE: March 3, 2021
POSITION: Oppose

Upon review of House Bill 1092 – State Procurement – Emergency and Expedited Procurements – Revisions and Reporting, the Department of General Services (DGS) provides these comments for your consideration. House Bill 1092:

- Requires the DGS Office of State Procurement (OSP), Chief Procurement Officer (CPO), to approve an agency's recommended emergency contract award **within 48 hours** of submission to the CPO.
 - **This provision would limit the State's ability to avoid or mitigate serious damage to public health, safety, or welfare.** To require the CPO to approve within 48 hours of submission would be an administrative challenge and **would impose an arbitrary component to a process used only when necessary.**
 - Agencies currently are required to report emergency contracts to the Board of Public Works (BPW) within 45 days of award; **House Bill 1092 accelerates this requirement to 15 days for contracts or contract modifications in excess of \$50,000** and may result in fulfilling a reporting requirement when in the midst of an ongoing emergency.
 - What little oversight is gained with this provision is **not proportional to the need for a timely response** to an emergency.
- Requires each primary procurement unit to submit a detailed report to the CPO within 60 days after the end of the fiscal year on each procurement contract awarded. The CPO is required to report to the Governor and legislative committees a consolidated report within 90 days after the close of the fiscal year.
 - An **additional administrative burden** for yet another reporting requirement which requires an enormous amount of time and effort and removes staff from performing necessary duties.
- It appears the entirety of this bill except for the limitation of reporting to the BPW contracts or modifications over \$50,000, which is the small procurement threshold, is included in House Bill 1091.

House Bill 1092 does not advance State procurement processes to be more effective, efficient, or transparent and may inhibit agency and procurement leaders to address matters of risk to public safety or property. The current emergency method, adopted by most states, was specifically intended to immediately address any risk to health and property. **DGS respectfully requests an unfavorable report on House Bill 1092.**

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

