

Larry Hogan
Governor

Boyd K. Rutherford
Lt Governor



Ellington E. Churchill, Jr.
Secretary

Nelson E. Reichart
Deputy Secretary

OFFICE OF THE SECRETARY

Corrected & Revised 3/28/2022

BILL: **House Bill 1202**
State Government – Coordination and Operations **and**
House Bill 1346
State Government - Cybersecurity - Coordination and Governance

COMMITTEE: Senate Education, Health, and Environmental Affairs

DATE: March 25, 2022

POSITION: **Letter of Concern**

Upon review, House Bill 1202 and House Bill 1346, the Maryland Department of General Services (DGS) provides these comments for your consideration.

The bills as amended and before you today significantly changes the State’s regulatory framework related to cybersecurity and information technology. The most prominent being that the Department of Information Technology (DoIT) would become a primary procurement unit and procurement authority for all information technology would transfer from the DGS Office of State Procurement (OSP) to DoIT. These actions directly counter 2017 legislation that reformed Maryland procurement along with numerous studies and reports including the 2013 The Procurement Improvement Report completed by Treya Partners for the Maryland Board of Public Works, the 2014 Department of Legislative Services Review of Maryland’s Procurement Policies and Structures, the General Assembly’s 2015 One Maryland Blue Ribbon Commission created by Chapter 191, Acts of 2015, and the 2016 Report of the Commission to Modernize State Procurement.

Per Chapter 590, 2017 Maryland Laws (HB 1021), effective October 1, 2017, Maryland state procurement was centralized under DGS OSP and provided for the creation of the Chief Procurement Officer (CPO). The CPO leads the office by providing the most effective and efficient allocation of goods and services for Maryland. Since full implementation of Chapter 590 on October 1, 2019, the OSP **continues to provide** consistency in interpretation of procurement statutes and regulations; implementation of standardized policies, procedures, and best practices; and delivery of resources to all procurement offices throughout the State. These Bills will undo **more than four years of preparation and implementation** of the 57 recommendations from the Commission to Modernize State Procurement which included **“Consolidate the procurement functions of State agencies”**, resulting in the reallocation of State resources and the expenditure of significant State funds.



Page 2

House Bills 1202 & 1346

March 25, 2022

Corrected & Revised 3/28/2022

The 2017 Modernization initiative to centralize and standardize procurement resulted in many hours of planning, policy and procedure development, realignment of Agency staff, and a number of other process improvement initiatives. These Bills will require all of the work previously done to be revisited and amended to address the change as well as to be recreated at DoIT to address their new role. This would result in a **significant and unnecessary expenditure of state funds, a waste of the capital** used to implement the initiative, and the **elimination of the many efficiencies created.**

House Bill 1346 provides DoIT authority to “providing or coordinating the procurement of managed cybersecurity services” (State Finance and Procurement § 3.5-303(a)(5)). This is another area of concern for DGS where “providing procurement” should be retained in the Office of State Procurement. **DGS looks forward to coordinating with DoIT for their IT procurement needs.**

House Bill 1202 adds language stating the Office of Security Management within DoIT “**may procure resources**”. This also is of concern and should be struck (State Finance and Procurement § 3.5-2A-03(G)).

While DoIT may possess cybersecurity expertise, DGS OSP is the State expert in procurement. To effectively provide for the public welfare **each entity should focus on their own area of proficiency.** The **Office of State Procurement should retain the centralized procurement authority for the State and** continue to coordinate with DoIT to procure the necessary goods and services to carry out their agency mission.

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