



Wes Moore, Governor
Aruna Miller, Lt. Governor
Josh Kurtz, Secretary
David Goshorn, Deputy Secretary

March 30, 2023

Bill Number: House Bill 543 – Third Reader

Short Title: State Procurement - Small Procurement - Definition

Department's Position: SUPPORT

Explanation of Department's Position:

DNR supports HB 543 because it would make procurement more efficient. HB 543 grants additional small procurement permissions to the DNR, allowing some procurements with values up to \$200,000 to be prepared and awarded by DNR without additional, often time-consuming, requirements of approvals by the Department of General Services (DGS) Offices of State Procurement and Construction. This will streamline procurements and enable us to complete projects in a timelier manner by reducing the time spent on each individual solicitation. By delegating authority for DNR to complete more DNR procurements in-house, the award process is sped up, DGS-OSP saves time, and projects may get completed faster.

Background Information:

The existing statute requires state agencies to carry out all small procurements in compliance with all state procurement policies. Large procurements have more layers of review involving multiple state agencies' approval before a contract award can be made to a vendor or contractor. Additional layers of approval requirements can delay contract awards for over a year or more, slowing down the completion of work activities and critical construction. Due to inflation the number of procurements over \$100,000 is steadily growing, thereby causing more delays in the accomplishment of the work of the state.

Bill Explanation:

HB 543 changes the definition of a small procurement from any procurement whose estimated value is less than \$50,000, to any that is less than \$100,000 for certain agencies; and from \$100,000 to \$200,000 for certain DNR procurements. The bill would allow procurements of all types with a value of \$100,000 or less to be handled from start to finish by the state agency, without approvals by DGS. In addition, it would allow DNR procurements of just capital projects or maintenance with a value up to \$200,000 to be handled from start to finish by DNR.

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