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**Maryland Stadium Authority – Unfavorable (UNF)**

HB 646 / SB 578 - State Procurement - Minority Business Enterprises and Small Business Enterprises - Procurement Forecast, Employee Performance, and Outreach (Small Business Protection Act of Maryland)

**HEALTH AND GOVERNMENT OPERATIONS COMMITTEE**

The Honorable, Chair, Delegate Joseline A. Pena-Melnyk  
The Honorable, Vice Chair, Delegate Bonnie Cullison

**Written Testimony – Unfavorable (UNF)**

Michael J. Frenz, Executive Director, Maryland Stadium Authority

Good afternoon Chairs Pena-Melnyk and Cullison and honorable members of the Health and Government Operations Committee, I am Michael Frenz, the Executive Director of the Maryland Stadium Authority (MSA) and I appreciate the opportunity to provide this written testimony to express our opposition to HB 646 / SB 578 - State Procurement - Minority Business Enterprises and Small Business Enterprises - Procurement Forecast, Employee Performance, and Outreach (Small Business Protection Act of Maryland).

The MSA has significant concerns about the potential negative impact this bill would have on employee retention and continuity of efficient operations in procurement and project management. Specific areas of concern include:

- The bill's punitive nature seeks to hold the procurement officer solely responsible for an agency's ability or inability to reach the MBE goal. This bill fails to take into account that there are many staff involved in establishing, advertising and ensuring compliance with MBE goals. For instance, project managers and MBE compliance officers, among others, are also responsible for ensuring that MBE participation is being met.
- Some projects/agency needs cannot be met through the use of MBE goals. Single item solicitations of high dollar value generally cannot be broken down to force an MBE goal to be placed on the solicitation. This bill does not take into account that these circumstances exist and are well beyond the control of the procurement officer and the agency.
- There is extensive context related to the MBE program that is complex, and that this bill apparently does not take into consideration.
- State agencies have historically struggled to develop professionals in the procurement field. An unintended consequence of this bill is that it will

cause turnover and the exodus of institutional knowledge from state agencies. Highly experienced staff and trained staff may be lost due to this bill.

For the reasons expressed in this letter, MSA requests an unfavorable report on HB 646 / SB 578 - State Procurement - Minority Business Enterprises and Small Business Enterprises - Procurement Forecast, Employee Performance, and Outreach (Small Business Protection Act of Maryland) and I am available for any questions the committee may have.