

ANTONIO HAYES
Legislative District 40
Baltimore City

Finance Committee



Annapolis Office
James Senate Office Building
11 Bladen Street, Room 222
Annapolis, Maryland 21401
410-841-3656 • 301-858-3656
800-492-7122 Ext. 3656
Antonio.Hayes@senate.state.md.us

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Thursday, January 18, 2024

Testimony in Support of Senate Bill 0194: State Procurement - Maryland Correctional Enterprises - Waiver

Dear Chairman Guzzone and esteemed members of the Budget and Taxation Committee,

I am writing to strongly endorse Senate Bill 194, which aims to enhance competitiveness in procurement practices involving Maryland Correctional Enterprises (MCE) and state or state-controlled entities. The current procurement system lacks transparency, and the proposed amendments seek to promote accountability within MCE for the pricing and delivery time of their services.

Under the existing law, MCE is the preferred provider of supplies and services to state entities. However, the lack of transparency in the procurement process raises concerns. Senate Bill 0194 with the amendment addresses this by empowering the Pricing and Selection Committee (PSC) to grant waivers under certain circumstances, providing State entities with the flexibility to choose alternative suppliers. Currently, approval from MCE is required, creating limitations and hindering innovation outside their scope.

Senate Bill 194 allows PSC to grant waivers when MCE prices are at least 10% higher than market rates or if the delivery fails to meet the entity's needs. This approach encourages competition and supports small businesses, potentially leading to cost savings for state agencies.

Furthermore, the bill mandates MCE to annually report the time between each order and supply delivery. This reporting requirement enhances transparency, enabling the state to assess the efficiency of the procurement system and hold MCE accountable. By identifying inefficiencies, the state can work collaboratively with MCE to improve service reliability.

In essence, Senate Bill 194 strikes a balance between supporting MCE's order load and promoting cost-effective procurement. Currently, state entities rely on a single provider, limiting

options for timely and cost-efficient order fulfillment. This bill addresses the need for diversification in procurement practices within Maryland.

I appreciate your attention to this important matter and urge you to support the passage of Senate Bill 194 with the proposed amendment.

Respectfully,

A handwritten signature in blue ink, appearing to read "A. L. Hayes", is positioned below the word "Respectfully,".

Senator Antonio L. Hayes
40th Legislative District – MD

On page 2, Line 22, STRIKE “DEPARTMENT OF GENERAL SERVICES” INSERT
“PRICING AND SELECTION COMMITTEE FOR PREFERRED PROVIDERS IN
ACCORDANCE WITH 14.106 OF THE STATE FINANCE AND PROCUREMENT
ARTICLE”