

CAROLYN A. QUATTROCKI
Chief Deputy Attorney General

LEONARD J. HOWIE III
Deputy Attorney General

CARRIE J. WILLIAMS
Deputy Attorney General

ZENITA WICKHAM HURLEY
Chief, Equity, Policy, and Engagement



STATE OF MARYLAND
OFFICE OF THE ATTORNEY GENERAL

ANTHONY G. BROWN
Attorney General

PETER V. BERNIS
General Counsel

CHRISTIAN E. BARRERA
Chief Operating Officer

TIFFANY CLARK
Chief – Legislative Affairs Unit

February 5, 2025

TO: The Honorable Guy Guzzone
Chair, Budget and Taxation Committee

FROM: Tiffany Clark
Chief, Legislative Affairs, Office of the Attorney General

RE: Senate Bill 426 – Procurement Reform Act of 2025- **Support**

The Office of the Attorney General requests a favorable report of **Senate Bill 426** – Procurement Reform Act of 2025. **Senate Bill 426** will make Maryland’s procurement process more transparent and equitable.

Senate Bill 426 establishes comprehensive and sweeping reforms to Maryland’s procurement laws. The Office of State Procurement and Chief Procurement Officer will generally be given wide authority over specific Maryland Department of Transportation procurements and other procurements. **Senate Bill 426** also revises the way in which the State addresses a number of procurement matters, including, but not limited to, small business practices; noncompetitive negotiations; communications with the Board of Public Works on certain procurement matters; certain Office of Small, Minority, and Women Business Affairs programs; pay-for-success contracting; master contracting thresholds; submittals of workforce and/or supplier diversity plans; alteration of payments of certain procurement programs; procurement preference for good labor practice certified business; and more.

Additionally, **Senate Bill 426** creates a Good Labor Practices Preference for contractors that attest that in the performance of work on the contract, it will: (1) employ workers as W-2 employees, (2) issue paychecks rather than pay in cash, (3) provide the Maryland Department of Labor with a list of all subcontractors on the project, (4) provide written notice to the subcontractors of their obligations to employ workers as true employees and otherwise comply with wage and hour laws; and (5) agree to be jointly and severally liable with the subcontractor for any violations. **Senate Bill 426** will incentivize compliance with wage and hour laws and make it easier to address violations of State wage and hour laws.

This bill letter is a statement of the Office of Attorney General’s policy position on the referenced pending legislation. For a legal or constitutional analysis of the bill, Members of the House and Senate should consult with the Counsel to the General Assembly, Sandy Brantley. She can be reached at 410-946-5600 or sbrantley@oag.state.md.us.

Please note that the OAG has no position on the MBE goals laid out in this bill.

Transparency in procurement fosters an environment of fairness, competition, and trust, which benefits government agencies and businesses alike. For the foregoing reasons the Office of the Attorney General requests a favorable report on **Senate Bill 426**.

CC: Governor's Legislative Office
Budget and Taxation Committee Members