



Memorandum

To: State of Maryland - House Health and Government Operations Committee

From: Thomas D. Kohn, Vice President and Counsel  
Blind Industries and Services of Maryland

Date: February 25, 2025

Re: HB 508 - Blind Industries and Services of Maryland - Packaging and Repackaging Position

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On February 18, 2025, the Maryland Department of General Services ("DGS"), issued a Letter of Information (the "Letter") to this Committee with regard to House Bill 508 - State Procurement Preferences - Blind Industries and Services of Maryland - Packaging and Repackaging Position. Generally, we believe the comments in the Letter reflect misplaced concerns for problems that do not exist, are somewhat hypothetical in nature and the conclusions overstate the effect and impact of the passage of HB 508.

BISM attempts to distill the five (5) main points raised in the Letter and will consider each separately:

1. "expanding the scope of products provided by BISM would impact other businesses... removing opportunities for Small/MBE/VSBes to sell or resell products to the State".

Initially, BISM's primary goal in HB 508 is to clarify the language in Section 14-103(c) and to reflect more accurately some of the activities currently undertaken by BISM with regard to products sold to its Maryland customers. BISM provides a limited slate of products to the State of Maryland which do not clearly fall under the listed activities currently in this statute. A clarification of this language with regard to products already sold does not have an impact on other businesses.

BISM has always had, and continues to have, the option to attempt to add new products to the Maryland Procurement List. The process to do so, as referenced in Section 2 below, is fairly clear. DGS's letter presumes that this is a zero sum situation whereby an opportunity to BISM is a corresponding loss of an opportunity to Small/MBE/VSBes to sell or resell, create and sell products. It is worth remembering that the creation of BISM, by this Legislature, is consistent with stated policy set forth in Section 7-702: "It is the policy of the State to encourage and enable blind, visually impaired, deaf, and hard of hearing individuals to **participate fully in the social and economic life of the State and to be employed.**"

Accordingly, the Preferred Provider legislation is specifically designed to assist BISM (and its Preferred Provider partner, Maryland Works), with additional opportunities to create vocational opportunities for its community. Surely, there are enough products and service opportunities available in the Maryland Procurement System whereby BISM, as a not-for-profit organization, need not be seen as a direct, and lesser, competitor with Small Businesses, Minority Owned Businesses or Veteran-Owned Small Business Enterprises.

Finally, we note the first sentence of Section 14-103(c) specifically states "To the extent practicable...". As a general statement, BISM assumes that if it were to provide a product to the Maryland procurement system which adversely "changes" current procurement practices, the Preferred Provider Pricing and Selection Committee ("PSC"), DGS or another procurement office would use this language to resolve the issue.

2. "would require DGS to change current procurement practices governing the competitive procurement of packaged or repackaged products"

The current procedure for the review and approval for any "new" BISM product to be qualified to be sold to its State of Maryland customers is for BISM to submit that product to the Preferred Provider Pricing and Selection Committee ("PSC"). The PSC must review the product, conduct its own due diligence and assign a fair market value to that product before BISM has any authority to sell it to its State of Maryland customers. We note that, under the Procurement Reform Act of 2025, the Chief Procurement Officer will take the place of DGS as a member on the PSC. Any future addition of products to the State Procurement List will be determined by the newly comprised PSC and, seemingly, DGS would, if necessary, make appropriate changes. We fail to understand how this is problematic.

3. "DGS instead would be required to submit any procurement request for products through BISM to determine what products are considered "packaged" or "repackaged" and whether it is a packaged or repackaged product that BISM provides."

This assertion ignores the current approval process and the role of the PSC. DGS is not required to submit products to BISM for determination. Rather, BISM submits such products to the PSC which, in turn, will approve the products and establish a fair market price for that product. This procedure does not seem to change under the Procurement Reform Act of 2025.

4. "These packaged or repackaged products would no longer be able to be procured from other preferred providers.

Our review of the procurement landscape indicates that this statement is speculative. As stated above, there are products already approved for sale by BISM for which the terms package and repackage would more appropriately apply. Moreover, BISM is unaware of any "other" preferred providers that are actually doing any extensive kitting, packaging, and/or repackaging. As stated above, if/when there might be a conflict, it could be easily resolved.

5. DGS would have to increase the procurement timeline for purchasing these types of products and make adjustments to the current supply chain.

Again, as set forth in Section 1 above, we do not anticipate any change to the procedures currently in place for the purchase or supply line related to BISM products. BISM currently sells its products under "distributor agreements" which allows for authorized vendors to buy and resell our products to the State of Maryland and other entities involved in housekeeping and janitorial services contracts. Small/MBE/VSBES type businesses would not lose access to these products and there would be no substantive changes to the process or timeline.