

***HB 1235 - State Procurement - Competitive Sealed Bids and Proposals -  
In-State Evaluation Preference (Buy Maryland, Buy Local Act)***

**Position:** Letter of Opposition

**Committee:** House Government, Labor, and Elections Committee

**Date:** March 10, 2026

**From:** John R. Woolums, Esq.

The Department of General Services (DGS) is providing this Letter of Opposition for the Committee’s consideration regarding House Bill 1235. This legislation proposes significant revisions to state law by introducing standardized state procurement evaluation criteria for awarding competitive sealed bids and proposals. These bill provisions would have significant fiscal and operational impacts on the Department of General Services Office of State Procurement (DGS OSP).

The key changes proposed by this legislation include the following:

- Bids and proposals would be evaluated on a 100-point scale with defined weighting criteria. Technical merit will account for 40 points, state and local economic impact will account for 30 points, total cost to the state will account for 20 points, and past performance will account for 10 points.
- Offerors would be required to submit a detailed economic impact statement outlining workforce composition, use of in-state subcontractors, anticipated tax revenue, job creation or retention, capital investment, and contract performance locations.
- The evaluation framework would place significant emphasis on state and local economic contributions in addition to technical quality and cost.
- The proposal would reinforce the “Buy Maryland, Buy Local Act” by prioritizing bids that generate greater economic benefits within the State.

Under existing law, procurement officers retain discretion to determine the most appropriate evaluation methodology based on the specific needs, complexity, and market conditions of each procurement. The proposed legislation would replace that flexible framework with a mandatory, standardized 100-point evaluation structure, thereby limiting procurement officers’ discretion to tailor evaluation criteria to the unique characteristics of individual requirements.

By prescribing fixed point allocations for technical merit, economic impact, cost, and past performance, the legislation would constrain the State’s ability to apply a true best-value analysis suited to different sectors, industries, and levels of technical complexity and, in many instances, unnecessarily lengthen the procurement timeline and potentially limit nuanced evaluation of technical differences among proposals.

Additionally, the required economic impact statement and fixed weighting of in-state economic factors would further narrow evaluative flexibility, prioritizing standardized criteria over procurement-specific judgment. Operationally, implementation would require significant updates to DGS OSP templates, policies, procedures, and training, as the legislation represents a fundamental shift from the State’s current best-value procurement practice to a more prescriptive and inflexible evaluation structure. Also, the significant preference proposed by this bill may increase the risk of triggering other states’ “reciprocal preferences” against Maryland-based vendors.

The Procurement Reform Act of 2025 (PRA) (HB 500, Ch. 601) requires the following: “on or before December 1, 2025, the Procurement Advisor to the Board of Public Works shall conduct a study of the economic impacts of instituting an in-State preference for Maryland vendors for all State procurements and submit a report of its findings and recommendations to the Board of Public Works and, in accordance with § 2-1257 of the State Government Article, the General Assembly.” DGS suggests framing the findings of the Procurement Advisor’s study as a basis for future discussions regarding the Board of Public Works implementing an in-State preference, grounded in the risk exposure associated with reciprocal preference provisions

For these reasons, DGS respectfully requests an unfavorable report on House Bill 943.

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