

***House Bill 1557 - Procurement - Department of General Services -
Real Estate Advisory Committee***

Position: Letter of Information

Committee: House Government, Labor, and Elections Committee

Date: March 6, 2026

From: John R. Woolums, Esq.

The Department of General Services (DGS) requests a favorable with amendments position on House Bill 1557 and offers the following information for the Committee's consideration.

House Bill 1557 seeks to establish an independent Real Estate Advisory Committee (Advisory Committee) within DGS to conduct reviews and make recommendations regarding real estate transactions. In addition, the bill would require that DGS recommendations to the Board of Public Works (BPW) be accompanied by the recommendations of the Advisory Committee.

While DGS appreciates the bill's intent to expand the state's access to real estate expertise, we request that the bill be amended to clarify the committee's role as an advisory body that provides policy recommendations but does not have authority over operational decisions.

The DGS Office of Real Estate (ORE) administers several programs, including: Land Acquisition and Disposal, Lease Management and Procurement, Lease Construction & Compliance, Valuation and Appraisal, Portfolio Management, and Title Services.

Under current law, DGS makes award recommendations and the Board of Public Works grants final approval. The proposed Advisory Committee would introduce an additional layer of review without clearly defining its authority, limitations, or accountability. If the Advisory Committee's recommendations result in changes to price, scope, or selection outcomes, then vendors, bidders or other interested organizations may challenge the procurement as being procedurally unfair. Even the appearance that decisions were influenced outside the formal procurement process will increase protest exposure, litigation risk and may potentially delay critical State operations or require the State to cancel solicitations and reissue procurements.

The bill's requirement for review by the Advisory Committee may result in effects on workload, procurement timelines, and the State's ability to execute time-sensitive real estate transactions. Several existing statutory and regulatory processes already provide a balance of structured oversight and streamlined procedures for different types of real estate decisions. For example:

- Statute (SFP §10-305) requires DGS to obtain 2 independent appraisals for acquisitions, and to provide notification for acquisitions of \$500,000 or greater to the legislature, with the option for the legislature to request a cost-benefit analysis. Final decisions are also

contingent on a related BPW Advisory 2005-3 and verification that the funds have already been appropriated in the budget.

- State regulations appropriately authorize a streamlined procedure for routine decisions such as the renewal of leases without a competitive procurement (COMAR 21.05.05.02 (D)). In addition, sole-source renewal leases are permitted under COMAR.

State real estate procurements require a structured, transparent, and competitive process. DGS is committed to upholding these standards, and appreciates the value an advisory committee could add to these processes.

DGS respectfully requests that the Committee consider this information during its deliberations on House Bill 1557.

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