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Committee

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January 27, 2026

Thank you, Mr. Chair, Mr. Vice Chair, and members of the Committee

Last year, you heard HB 304 which passed the House 140-0. However, it did not get a senate vote. Rather, Chair Guzzone preferred to convene a summer workgroup to discuss HB304 and HB1499. You have in your floor system, a DLS report summarizing the discussions of the summer workgroup.

HB193 and its cross-file, Senate Bill 213, is a procurement modernization bill that reflects lessons learned from prior legislation and from the extensive interim review conducted by the Department of Legislative Services at the request of this Committee.

As the DLS letter dated January 7, 2026 makes clear, the General Assembly has wrestled for several years with how to fairly address unexpected contract cost increases, particularly those arising from changes in State law enacted after a contract is awarded. That review carefully outlines the competing concerns: protecting taxpayers and budget predictability on one hand, while ensuring a fair and functional procurement system on the other.

HB193 is informed by that analysis and is intentionally narrower, more disciplined, and more balanced than earlier proposals.

First, the bill improves transparency and accountability in procurement decisions by strengthening the debriefing process for unsuccessful bidders. As DLS noted, confidence in the procurement system reduces disputes and litigation. Clear explanations—while protecting proprietary information—help vendors understand award decisions and improve competition without fiscal risk to the State.

Second, HB193 clarifies vendor participation rules during procurement development. The DLS review raised concerns about litigation risk when standards are unclear. This bill provides clarity so that agencies can benefit from industry expertise without undermining ethics rules or competitive fairness.

Third—and most importantly in light of the DLS letter—HB193 addresses changes in State law in a carefully limited way. The DLS analysis recognizes that long-term State contracts, often lasting five to ten years, make it extremely difficult for contractors or the

State to reasonably forecast future statutory changes. HB193 responds to that reality by requiring contracts to include a mechanism for equitable adjustment when State-driven legal changes materially affect contract performance, while preserving fiscal controls and existing approval requirements.

Unlike earlier bills reviewed by DLS, HB193 does not shift unlimited risk to the State, does not mandate payment without oversight, and does not rely on speculative assumptions about bid behavior. Instead, it provides a clear contractual framework that reduces uncertainty, discourages disputes, and aligns with sound fiscal management.

Finally, HB193 modernizes claims and protest procedures, an area the DLS letter identifies as procedurally imbalanced. By clarifying timelines and requiring good-faith certification of claims, the bill promotes earlier resolution of disputes while protecting taxpayer dollars.

In short, House Bill 193 reflects the work of this The former HGO Committee, the concerns raised during the 2025 session, and the thoughtful analysis provided by DLS. It strengthens procurement transparency, reduces risk, and improves predictability—without expanding spending or undermining fiscal discipline.

I respectfully ask for a favorable report on House Bill 193.