

Department of Legislative Services
Maryland General Assembly
2017 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 846

(Delegate Bromwell)

Health and Government Operations

Education, Health, and Environmental Affairs

**Pricing and Selection Committee for Blind Industries and Services of Maryland
and the Employment Works Program - Staff**

This bill requires Blind Industries and Services of Maryland (BISM) to provide staff for the Pricing and Selection Committee for BISM and the Employment Works Program. The staff provided by BISM must be a blind or visually impaired associate of BISM and complete work related to the committee's duties regarding BISM under the supervision and direction of the committee.

The bill takes effect June 1, 2017.

Fiscal Summary

State Effect: None. The bill does not directly affect governmental operations or finances.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law/Background: State procurement law defines a "preferred provider" to be a provider of supplies or services that is given preference in specified provisions of current State procurement law. Chapter 313 of 2016 consolidated certain procurement preferences such that, currently, a State or State-aided or -controlled entity must buy supplies and services from Maryland Correctional Enterprises (MCE) first, then BISM, and finally the Employment Works Program. The Employment Works preference applies only if a community service provider or a business owned by an individual with a disability provides

the supplies or services, neither MCE nor BISM can do so, and the State or a State-aided or -controlled entity is not required by law to buy the supplies or services from any other unit of State government. Only if none of those entities produces or provides the desired supplies or services may a State agency issue a competitive procurement. In addition, janitorial products have to be procured from BISM, to the extent practicable, when a State or State-aided or -controlled entity has a maintenance contract with a component for housekeeping or janitorial services.

BISM was established in 1908 as a nonprofit organization with a stated purpose of positively changing people's attitudes about blindness. BISM maintains eight facilities, half of which are in Maryland, that employ 600 associates to manufacture and provide a wide array of products and services. Its clients include the federal government, state governments, and commercial customers.

The Employment Works Program is established by statute within the Department of General Services to facilitate the distribution of procurement contracts for supplies and services among community service providers and businesses owned by individuals with disabilities. The Secretary of General Services must designate Maryland Works, Inc., or another appropriate entity, to facilitate the distribution of procurement contracts to community service providers that participate in Employment Works. Maryland Works is a statewide membership association of community service organizations that specialize in creating employment opportunities for individuals with disabilities. It serves over 17,000 Marylanders with disabilities, more than 11,000 of whom are in employment settings.

Chapter 415 of 2015 merged the Pricing Committee for BISM with the Pricing and Selection Committee for the Employment Works Program. The resulting Pricing and Selection Committee for BISM and the Employment Works Program consists of the following five members:

- Secretary of Transportation or designee;
- Secretary of General Services or designee;
- Secretary of Public Safety and Correctional Services or designee;
- Secretary of Labor, Licensing, and Regulation or designee; and
- Assistant Secretary for Vocational Rehabilitation within the Maryland State Department of Education.

The committee is charged with 13 tasks and responsibilities in statute, including determining the fair market prices of the items sold by BISM and Employment Works. The requirement for Maryland Works, as the coordinating entity for the Employment Works Program, to provide staff support to the pricing committee was maintained; however, the comparable requirement for BISM support was repealed.

In a report issued in February 2016, the Office of Legislative Audits (OLA) reported that the predecessor pricing committee for BISM had not performed a comprehensive price review of BISM supplies and services and, as of October 2013, had not met since July 2012 (when it had approved price increases and new items). In that same report, OLA found that, although the new committee was effective on July 1, 2015, it had not yet met to set the prices for BISM supplies and services as of October 15, 2015.

The new Pricing and Selection Committee meets monthly, primarily to handle contracts associated with Maryland Works, which continues to provide staff support for the meetings affecting its program (as required by statute and unaffected by the bill). Meetings related to BISM only occur one to four times a year.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of General Services; Blind Industries and Services of Maryland; Department of Legislative Services

Fiscal Note History: First Reader - February 14, 2017
fn/ljm Third Reader - March 24, 2017
Revised - Amendment(s) - March 24, 2017

Analysis by: Michael C. Rubenstein

Direct Inquiries to:
(410) 946-5510
(301) 970-5510