

March 1, 2023

The Honorable Joseline A. Pena-Melnyk  
Chair, House Health and Government Operations Committee  
Room 241, House Office Building  
Annapolis MD 21401

***RE: Letter of Support – House Bill 543 – State Procurement – Small Procurement – Definition***

Dear Chair Pena-Melnyk and Committee Members:

The Maryland Department of Transportation (MDOT) supports House Bill 543, as it allows flexibility to make small purchases more efficiently.

House Bill 543 increases the threshold for small procurements from \$50,000 to \$100,000, and from \$100,000 to \$200,000 for construction contracts. For small procurements, competition is sought to the extent practicable, considering factors such as availability of vendors, the dollar value of the procurement, the cost of administering the procurement, and the time available to make the procurement including delivery time.

For small procurements over \$15,000, written solicitations must be posted on eMaryland Marketplace at least three days before bids or offers are due. Current regulation requires the publication of a notice of an invitation for bids for which the bid amount is reasonably expected to exceed the small procurement ceiling of \$50,000 in eMaryland Marketplace for at least 20 days before bids or offers are due.

Given the streamlined process for approving small procurements and the rising cost of inflation, periodic increases are practical and can increase efficiency. Most recently, in 2017, the General Assembly approved a procurement threshold increase from \$25,000 to \$50,000; before that, the small procurement ceiling had not been raised in decades.

Raising the threshold would allow procurement officers the flexibility to make small purchases without engaging in cumbersome solicitations. This would allow for time and resources to be used to manage larger scale procurements. It is important to note that increasing the limit would not exempt small procurements from the need to engage in competitive pricing or abide by Small Business Reserve requirements; it would simply expedite the process.

For these reasons, the Maryland Department of Transportation respectfully requests the Committee grant House Bill 543 a favorable report.

Respectfully submitted,

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