



Wes Moore, Governor  
Aruna Miller, Lt. Governor  
Josh Kurtz, Acting Secretary  
Allan Fisher, Deputy Secretary

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March 1, 2023

**BILL NUMBER: House Bill 543 – First Reader**

**SHORT TITLE: State Procurement - Small Procurement - Definition**

**DEPARTMENT’S POSITION: SUPPORT WITH AMENDMENTS**

**EXPLANATION OF DEPARTMENT’S POSITION:**

DNR supports HB 543 with amendments because it would make procurement more efficient. HB 543 grants additional small procurement permissions to the DNR, allowing some procurements with values up to \$200,000 to be prepared and awarded by DNR without additional, often time-consuming, requirements of approvals by the Department of General Services (DGS) Offices of State Procurement and Construction. This will streamline procurements and enable us to complete projects in a timelier manner by reducing the time spent on each individual solicitation. By delegating authority for DNR to complete more DNR procurements in-house, the award process is sped up, DGS-OSP saves time, and projects may get completed faster.

The amendment suggested by DNR would allow all DNR small procurements to be handled from start to finish by DNR. This would include DNR capital projects, maintenance, commodities, supplies, and services up to \$200,000 in estimated value that could be handled in-house.

**BACKGROUND INFORMATION:**

HB 543 changes the definition of a small procurement from any procurement whose estimated value is less than \$50,000, to any that is less than \$100,000 for certain agencies, and from \$100,000 to \$200,000 for certain DNR procurements. This means a large procurement is anything over \$100,000. The existing statute requires state agencies to carry out all small procurements in compliance with all state procurement policies. Large procurements have more layers of review involving multiple state agencies' approval before a contract award can be made to a vendor or contractor. Additional layers of approval requirements can delay contract awards for over a year or more, slowing down the completion of work activities and critical construction. Due to inflation the number of procurements over \$100,000 is steadily growing, thereby causing more delays in the accomplishment of the work of the state.

**BILL EXPLANATION:**

HB 543 changes the definition of a small procurement from any procurement whose estimated value is less than \$50,000, to any that is less than \$100,000 for certain agencies; and from \$100,000 to \$200,000 for certain DNR procurements. The bill as written would allow procurements of all types with a value of \$100,000 or less to be handled from start to finish by the state agency, without approvals by DGS. In addition, it would allow DNR procurements of just capital projects or maintenance with a value up to \$200,000 to be handled from start to finish by DNR.

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BY:  
(To be offered in the Health and Government Operations Committee)

AMENDMENT TO HOUSE BILL 543  
(First Reading File Bill)

AMENDMENT NO.1

On page 2, in line 2, strike “projects” and substitute “PROJECTS, COMMODITIES, SUPPLIES, SERVICES,”.