Brooke E. Lierman Comptroller of Maryland



News Release

Comptroller Brooke Lierman Testifies in Support of State Procurement Reform Bill

Comptroller amendments to enhance prompt payment provisions and preserve role of Board of Public Works

ANNAPOLIS, Md. (February 5, 2025) — Today, Comptroller **Brooke E. Lierman** testified before the Senate Budget and Taxation's Subcommittee on Procurement on <u>SB426</u>, the Procurement Reform Act of 2025. Comptroller Lierman spoke in favor of the measure, with amendments that would preserve the effective oversight provided by the Board of Public Works, of which Comptroller Lierman is a member. The following are her remarks as prepared:

Thank you, Madam Chairwoman and distinguished members of the committee. I am honored to testify today in support of Senate Bill 426, the Procurement Reform Act, with amendments.

As Maryland's Comptroller and member of the Board of Public Works (BPW), alongside Governor Moore and Treasurer Davis, I have come to understand even more deeply than before the unique and vital role our BPW plays in providing transparency and accountability for taxpayer dollars. Since taking office, my team has actively collaborated with the Moore-Miller administration and Treasurer Dereck Davis, together we have seen firsthand how our unique oversight body provides critical transparency for stakeholders, both the General Assembly and private stakeholders. At the same time, I've seen how our outdated processes across the state can hold back progress, particularly for our small, minority-owned, women-owned and veteran-owned businesses.

For the past two years, my office has taken an evidence-based approach to understanding these challenges. We've engaged dozens of stakeholders to learn more about the barriers in our system and how to improve the system. We partnered with Drexel University to create the state's first <u>Procurement Playbook</u>, revealing that our current processes require reform. And that's why I am so happy to be here to support this bill.

While I broadly support Senate Bill 426 and its goal to streamline processes and clarify existing procurement laws, I am proposing several amendments to enhance the prompt payment provisions and preserve the Board of Public Works' constitutional oversight authority.

1. **Prompt Payment Implementation**: Our proposed amendment clarifies that these payments will align with the existing post-accrual timeline of 31 days.

2. Financial System Modernization: The modernization of our financial system (FMIS) is progressing under a collaborative governance structure including the Comptroller's Office, State Treasurer's Office, and the Departments of Budget Management, Information Technology, and General Service. Given that payment feature assessment is already incorporated into the modernization project's discovery phase, we recommend removing the redundant workgroup language from the bill.

3. Preserving BPW Oversight Authority: Our most substantial amendments address provisions regarding source selection, expedited procurements, contract modifications, and master contracting. The current language would significantly diminish or eliminate BPW's oversight role in these areas. We would like to examine this because the BPW provides the only public forum for accountability regarding contractor performance, MBE compliance, and procurement decisions.

4. In-State Vendor Preference Study: We propose adding language to commission a study by the Board of Public Works Procurement Advisor examining the feasibility of an in-state vendor preference program. While concerns exist about potential retaliation from other states, no comprehensive economic analysis has evaluated the net impact of such a policy on Maryland's economy and businesses.

A robust and efficient procurement system is essential for growing Maryland's small businesses, addressing the racial wealth gap, and strengthening our economy. However, we must maintain appropriate oversight and transparency through the Board of Public Works. My office is engaged in productive discussions with both the Governor's team and the Treasurer's office regarding these amendments. We are committed to finding the right balance and appropriate language to achieve our shared goals.

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