



Senate Bill 47

Procurement – Maryland Buy American Steel and Manufactured Goods Act

MACo Position: **OPPOSE**

Date: January 29, 2013

To: Education, Health, and Environmental Affairs

From: Andrea Mansfield

The Maryland Association of Counties (MACo) **OPPOSES** Senate Bill 47 (SB 47). This bill would require a contractor or subcontractor to use or supply only American manufactured goods for the construction or maintenance of a public works project, or for the buying or manufacturing of certain machinery or equipment that is to be installed at a public works site.

MACo is concerned that this bill would add both cost and complexity to a wide range of public procurements, undermining the most efficient use of public funds. Although there are nominal exemptions to the requirement, they are unreasonably stringent.

Under the bill, the price of a qualifying product would need to exceed the cost of an otherwise comparable product by 20% to 30% before being considered unreasonable. Depending upon the type of contract, this could significantly increase a project's cost, which would negatively affect a local government's capital budget. As budgets have grown tighter in recent years, many local governments have significantly reduced their capital budgets and for some, they may only consist of a few projects. Increasing project costs necessarily results in fewer projects being funded.

In addition, SB 47 places more onerous requirements on procurement staff for developing, reviewing, monitoring, and enforcing contracts. Many local governments have reduced their governmental workforce through reduction and attrition in recent years, as they have managed difficult economy and state cost shifts. This bill's new requirement would place additional burdens on an already limited staff.

For these reasons, MACo recommends the Committee issue an **UNFAVORABLE** report on SB 47.