

Coalition for Common Sense Contracting

October 17, 2014



The Coalition for Common Sense Contracting disagrees with recent statements made by Maryland Lt. Governor Anthony Brown regarding “strategic sourcing” during a Maryland gubernatorial candidate’s debate on October 14, 2014.

“During the Maryland Governor candidate’s debate on October 14, 2014, Lt. Governor Anthony Brown claimed that if elected, he would implement efficiencies in state contracting using Strategic Sourcing Initiative (SSI) to achieve great savings claiming \$150 million over four years. These claims may be false according to leading experts and may prove to actually have the opposite effect and harm small and minority businesses, if enacted”, said the Coalition for Common Sense Contracting.

“In order to determine whether there are any actual savings, a cost benefit analysis should be conducted prior to any implementation of SSI because of its potential negative impact on small businesses”, said Professor Samuel D. Bornstein, Partner-Bornstein and Song, CPA’s and Consultants and Professor of Accounting and Taxation, Kean University, School of Business, Union, NJ who is a leading national expert on SSI.

According to Professor Bornstein, “Pennsylvania downgraded its SSI program and after California claimed to have saved \$160 Million, it did not renew the program based on their concern for the negative impact on small businesses. There are other states that also expressed buyer’s remorse after having implemented SSI.”

The Minority Business RoundTable (MBRT) also had concerns with these comments. “MBRT member companies are watching this race because of its impact on job creation and state and federal contracting with small, minority and women businesses”, said Roger A. Campos, President & CEO Minority Business Roundtable. “We are concerned that strategic sourcing which has received high level attention under the Obama Administration, but negative response from displaced small businesses, will come to Maryland and limit economic growth and contracting opportunities.”