

Department of Legislative Services
 Maryland General Assembly

FISCAL NOTE

House Bill 826 (Prince George’s County and Montgomery County Delegations)
Commerce and Government Matters

**Washington Suburban Sanitary Commission - Design/Build Construction Contracts
 PG/MC 22-98**

This bill repeals the prohibition against the Washington Suburban Sanitary Commission (WSSC) using design/build contracts for facilities construction contracts with costs under \$2 million and repeals the prohibition against the WSSC using design/build contracts for pipeline contracts.

Fiscal Summary

State Effect: None.

Local Effect: WSSC expenditures could decrease by an indeterminate amount. Revenues would not be affected.

Small Business Effect: Potential minimal.

Fiscal Analysis

Local Expenditures: Contracting with one firm for both the design and construction of a project could reduce contract time and costs. In 1995, WSSC was granted the authority to use design/build contracts for facilities construction for projects over \$2 million. Statistics are not yet available on the savings expected from the use of the design/build technique.

For reference, the number of WSSC’s completed construction contracts by dollar value in fiscal 1997 is shown below.

WSSC’s Completed Construction Contracts, Fiscal 1997

Size of Contract	Number of Pipe Jobs	Number of Facility Construction or Pipe Reconstruction Jobs

Less Than \$100,000	162	0
\$100,000-\$500,000	46	14
\$500,000-\$1,000,000	3	11
Over \$1,000,000	1	7
TOTAL	212	32

Source: Washington Suburban Sanitary Commission

Information Source(s): Washington Suburban Sanitary Commission, Department of Legislative Services

Fiscal Note History: First Reader - March 16, 1998

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