

Department of Legislative Services
Maryland General Assembly
2011 Session

FISCAL AND POLICY NOTE
Revised

House Bill 497

(Delegates Conway and Otto)

Environmental Matters

Education, Health, and Environmental Affairs

Natural Resources - Somers Cove Marina Commission - Procurement

This bill authorizes the executive director of the Somers Cove Marina Commission to procure capital improvement, design, and maintenance projects. Three sets of procurement guidelines are established. Goods and services and capital improvement, design, and maintenance projects with an expected value (1) of \$1,000 to \$5,000 are subject to existing procurement guidelines for goods and services within the same value range; (2) of \$5,000 to \$200,000 are subject to existing procurement guidelines for goods and services exceeding \$5,000; and (3) exceeding \$200,000 may be managed by the marina's executive director and are subject to general procurement provisions in the State Finance and Procurement Article. The Board of Public Works (BPW) must approve marina projects funded with State bond proceeds.

The bill takes effect July 1, 2011.

Fiscal Summary

State Effect: The bill does not materially affect State operations or finances.

Local Effect: The bill does not materially affect local operations or finances.

Small Business Effect: Minimal.

Analysis

Current Law/Background:

State Procurement

Maryland's procurement law seeks to ensure that State contracts are immune from inappropriate influences and are awarded on the basis of technical merit and price after effective competition between vendors. Generally, the procurement law applies to the Executive Branch agencies of Maryland government for (1) expenditures under procurement contracts; (2) procurements on behalf of other governmental agencies or other entities; and (3) procurements for services to benefit specific categories of individuals, even if the procurement contract does not involve a State expenditure and does produce State revenue. The procurement law does not apply to the Legislative or Judicial branches, multistate or multicounty government agencies, or other political subdivisions in the State.

Before execution, a contract for a capital expenditure other than in connection with a State correctional facility, St. Mary's College of Maryland, Morgan State University, or the University System of Maryland must be reviewed by the Secretary of General Services and, after a specified review, approved by BPW.

Somers Cove Marina

Somers Cove Marina was established in 1958 and was deeded to the Department of Natural Resources (DNR) in 1980 by the City of Crisfield. DNR made various improvements to the marina with money from the Waterway Improvement Fund, including expanding the number of boat slips to 485 and constructing various facilities at the marina. The marina was operated by DNR from 1996 to 2007.

Chapter 240 of 2008 established a Somers Cove Marina Commission as a body politic and corporate and an instrumentality of the State. The commission was established to, among other things, (1) maintain the existing Somers Cove Marina Improvement Fund in a bank account separate from State funds; (2) adopt operating and capital budgets and assess slip and other fees and charges at the marina to implement a specified master plan; and (3) set policy and provide general oversight of marina operations. On November 1, 2011, DNR and the commission must begin to evaluate the commission's ability to (1) operate, maintain, develop, and improve the marina in an effective manner; and (2) afford or assume the costs of operating, maintaining, developing, and improving the marina, including the salaries of the executive director and employees of the State who work at the marina. Findings and recommendations must be reported to the General Assembly on November 1, 2013.

The commission's executive director is authorized to procure goods and services. However, for goods and services with an expected value of \$1,000 to \$5,000, the executive director must (1) make a written or telephone request for bids; (2) evaluate the bids; and (3) award the contract to the responsible bidder that submits the lowest bid price. Furthermore, for goods and services with an expected value of over \$5,000, the executive director must (1) advertise the solicitation in a local newspaper and on the Somerset County website; (2) issue invitations for bids to all known prospective vendors; (3) tabulate and evaluate the bids; (4) award the contract to the responsible bidder that submits the lowest bid price; and (5) submit the proposed award to the commission for review and approval.

The Department of General Services (DGS), with assistance from DNR's Engineering and Construction Unit, is currently managing efforts to remodel the marina's office building bath house. This capital improvement project is in the final design stages. DNR advises the commission has requested the authority to implement such projects and that the commission's limited procurement authority was an inadvertent oversight.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Board of Public Works, Department of Natural Resources, Department of General Services, Department of Legislative Services

Fiscal Note History: First Reader - February 28, 2011
mc/lgc Revised - House Third Reader - March 18, 2011
Revised - Enrolled Bill - April 26, 2011

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