

Department of Legislative Services
Maryland General Assembly
2011 Session

FISCAL AND POLICY NOTE

House Bill 628 (Delegate Morhaim)
Health and Government Operations

**Commission to Study Streamlining and Increasing the Efficiency of the
Procurement Process**

This bill establishes a Commission to Study Streamlining and Increasing the Efficiency of the Procurement Process. The Board of Public Works (BPW), the Maryland Department of Transportation (MDOT), and the Governor's Office of Minority Affairs (GOMA) must staff the commission. Commission members do not receive compensation but are entitled to reimbursement for their expenses. The commission must report its findings and recommendations to the Governor and the General Assembly by December 31, 2011.

The bill takes effect June 1, 2011, and terminates May 31, 2012.

Fiscal Summary

State Effect: Given the State's fiscal difficulties, agency budgets have been constrained. Thus, the requirement to staff the commission and develop the report may not be absorbable within the existing budgeted resources of BPW, MDOT, and GOMA. In particular, BPW already staffs the Task Force to Study the Procurement of Health, Education, and Social Services by State Agencies, whose term and reporting requirements overlap with this proposed commission. Therefore, general and special fund (Transportation Trust Fund) expenditures may increase minimally in FY 2012 for contractual staff to support the commission and complete the required report within seven months as well as for expense reimbursements for commission members.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law/Background: Chapter 386 of 2003 established a similar task force that issued its final report in December 2003. The task force organized itself into four subcommittees that met a total of 26 times to review testimony from public- and private-sector sources. The full task force met six times.

In its final report, the task force issued 31 recommendations, several of which were subsequently enacted through legislation. Among the statutory changes that emerged from the task force's recommendations are:

- Chapter 662 of 2008 raised the cap on the value of contracts that State agencies may enter into as a result of unsolicited proposals from \$1.0 million to \$2.0 million (Recommendation 5 advocated for the elimination of the \$1.0 million cap);
- Chapter 459 of 2005 defined the characteristics of high-performance buildings and gave State agencies the flexibility to propose that new State buildings be constructed as high-performance buildings (Recommendation 16); and
- Chapter 373 of 2004 strengthened the jurisdiction of the Maryland State Board of Contract Appeals (Recommendation 27).

Additional Information

Prior Introductions: SB 133 of 2010 received a hearing from the Senate Education, Health, and Environmental Affairs Committee, but no further action was taken on the bill. Its cross file, HB 920, was withdrawn after a hearing in the House Health and Government Operations Committee.

Cross File: Although SB 241 (Senator Pugh, *et al.* - Education, Health, and Environmental Affairs) is designated as a cross file, it is different.

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

Fiscal Note History: First Reader - March 1, 2011
mc/rhh

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