

Department of Legislative Services
Maryland General Assembly
2013 Session

FISCAL AND POLICY NOTE

House Bill 1309
Ways and Means

(Prince George's County Delegation)

**Prince George's County - Education - Consolidated and Coordinated
Procurement
PG 405-13**

This bill requires the Prince George's County Board of Education and County Executive to jointly review procurement policies and practices of the county board of education and the county administration to determine if there is duplication that should be consolidated or coordinated to achieve efficient operations and cost savings. Annually, a determination must be made regarding when consolidation and coordination of procurement to avoid duplication is practicable. The county board and county administration must proceed with changes needed to achieve consolidation or coordination if it is determined that significant cost savings to the board and the administration would thereby occur. A specified joint annual report must be submitted to the General Assembly and the Prince George's County Delegation.

Fiscal Summary

State Effect: None.

Local Effect: Beginning in FY 2014, Prince George's County expenditures increase minimally to perform the annual review and generate the annual report, as required by the bill. Also beginning in FY 2014, Prince George's County (both the administration and board of education) may realize reduced procurement costs to the extent that areas of significant savings from consolidating and coordinating procurement are identified, agreed to, and achieved.

Small Business Effect: None.

Analysis

Bill Summary: The required annual report must include:

- a list of contracts expiring during the previous fiscal year and whether each contract was evaluated for a consolidated or integrated procurement prior to making a new award;
- a list or description of similar or identical services provided by the county board and the county administration for which procurement was consolidated or integrated;
- any cost savings resulting from consolidated or coordinated procurements; and
- other information requested in writing by a member of the Prince George's County Delegation.

Current Law: Local boards of education and private schools may participate in contracts for goods that are awarded by other public agencies or by intergovernmental purchasing organizations as long as the lead agency for the contract follows public bidding procedures. Local boards of education are generally not subject to the State General Procurement Law.

If the cost of any school building, improvement, supplies, or equipment is more than \$25,000 (or the "small procurement" threshold in the State Finance and Procurement Article), a local board of education must advertise for bids in a medium accessible to the general public. This includes a newspaper of general circulation in the region; the *Maryland Contract Weekly* or a comparable State publication; or both an electronic bid board and a school system bid board. A local board of education must draft specifications that provide a clear and accurate description of the functional characteristics or the nature of items to be procured. These procurement requirements do not apply to emergency repairs and contracts for the purchase of books and other instructional materials. Procurement for private schools is not governed by State law.

A local school board is authorized to enter into an agreement for the cooperative or joint administration of one or more specified types of programs with one or more: local school boards, other educational institutions or agencies, and boards of county commissioners or county councils. Such an agreement may relate to personnel, purchasing, accounting, data processing, printing, insurance, building maintenance, and transportation. If the agreement establishes a separate administrative entity to conduct or administer the joint or cooperative undertaking and that administrative entity has certain powers (*e.g.*, to employ individual and to receive and spend money), the agreement must specify certain details (*e.g.*, the duration of the agreement and the purpose, organization, composition, and nature of any separate administrative entity that is established.) Any such

administrative entity is limited to administering programs and exercise authorities that are specifically delegated to the entity by the public bodies that are party to the agreement.

A cooperative or joint agreement generally does not relieve a local school board or other party to the agreement of its legal obligations and responsibilities. The agreement for cooperative or joint agreement must be approved by the county governing body and submitted to the Attorney General. If the Attorney General finds the agreement is not in proper form or does not conform to State law, the Attorney General must detail in writing to the governing body of each public agency involved as to how the proposed agreement fails to meet legal requirements.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Prince George's County, Department of Budget and Management, Maryland State Department of Education, Department of General Services, Department of Legislative Services

Fiscal Note History: First Reader - February 25, 2013
mm/hlb

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