

Department of Legislative Services  
Maryland General Assembly  
2015 Session

FISCAL AND POLICY NOTE  
Revised

Senate Bill 359

(Calvert County Senators)

Education, Health, and Environmental Affairs

Health and Government Operations

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Calvert County - Contracts and Purchasing - Bidding Process

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This bill raises the minimum threshold – from \$15,000 to \$50,000 – for supply or service contracts in Calvert County that must use formal bidding procedures and be approved by the county commissioners at a regularly scheduled meeting. It also exempts emergency procurements by the official authorized to contract for Calvert County from bidding procedures established in statute.

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Fiscal Summary

**State Effect:** None. The bill applies only to Calvert County.

**Local Effect:** Expenditures by Calvert County decrease by a few thousand dollars due to diminished costs for advertising of bid solicitations. Calvert County may also experience operational efficiencies due to staff spending less time on procurement solicitations. No effect on Calvert County revenues.

**Small Business Effect:** Potential minimal in Calvert County.

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Analysis

**Current Law:** In Calvert County, contracts for the purchase of supplies and services valued at less than \$15,000 do not need to use formal bidding procedures or be approved by the county commissioners at a regularly scheduled meeting. For most contracts valued at \$15,000 or more, statute establishes formal procedures that include public notification requirements and criteria for the selection of the lowest responsible bidder. In addition to contracts valued at less than \$15,000, the following contracts are exempt from formal bidding procedures in Calvert County:

- contracts for supplies or services that are available from only one source;
- contracts for professional services, as long as an attempt is made to secure competitive proposals to the extent appropriate;
- contracts made when the county commissioners determine that an emergency exists and publish an explanation of the circumstances that constitute an emergency (the bill additionally allows the official authorized to contract for the county to declare an emergency);
- purchases based on federal, State, county, or municipal contracts established by a legal competitive process; and
- purchases or contracts involving less than \$250,000 where the county is acting as the general contractor; in these cases, the purchase or contract may be awarded after the county obtains at least three quotes.

**Background:** The State threshold for “small procurements” is \$25,000. For procurements valued at \$10,000 or less, State agencies may conduct either oral or written solicitations, or both; for procurements valued at between \$10,000 and \$25,000, only written solicitations may be used, and they must be posted on eMaryland Marketplace, the State’s electronic procurement portal. For all small State procurements, competition should be sought to the extent practical. For procurements valued at more than \$2,500, bids or offers from at least two vendors should be obtained.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Calvert County, Department of Legislative Services

**Fiscal Note History:** First Reader - February 20, 2015  
mel/ljm Revised - Senate Third Reader - March 23, 2015

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