

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 1114

(Calvert County Delegation)

Health and Government Operations

Education, Health, and Environmental Affairs

Calvert County - Procurement Contracts - Reciprocal Preference for Resident Bidders

This bill requires Calvert County to give a preference to a bidder on a county procurement whose principal office is in the county that is equal to a resident preference given by another county or state in which a nonresident bidder has its principal office. Any increase in the cost of a contract in which a reciprocal preference is given may not exceed \$25,000.

Fiscal Summary

State Effect: None. The bill affects only Calvert County.

Local Effect: Procurement-related expenditures in Calvert County may increase to the extent that the reciprocal preference is applied to county procurements. Expenditures on any single contract do not increase by more than \$25,000. **This bill may impose a mandate on a unit of local government.**

Small Business Effect: Potential meaningful.

Analysis

Current Law: In Calvert County, contracts for the purchase of supplies or services involving \$15,000 or more must be by formal bidding procedures. A contract must be awarded at a regularly scheduled meeting of the county commissioners or by the official authorized to contract for the county to the lowest responsible bidder meeting specifications.

State Reciprocal Preference

State agencies may apply reciprocal preferences when using either competitive sealed bidding or competitive sealed proposals to procure supplies or services, including architectural and engineering services, construction-related services, or energy performance contracts. For competitive sealed bidding, an agency may give a preference to a bidder from the State only if (1) the resident bidder is a responsible bidder; (2) the lowest responsive bid is by a bidder from another state; (3) the state in which the nonresident bidder is located gives a preference to its residents; and (4) the preference does not conflict with a federal law or grant affecting the contract.

For competitive sealed proposals, an agency may apply a preference to a resident offeror if (1) a responsible nonresident offeror submits a proposal; (2) the state in which the nonresident offeror is located gives a preference to its residents; and (3) the preference does not conflict with a federal law or grant affecting the contract.

Procuring agencies may request specified information from nonresident bidders or offerors regarding any resident preference given by the state in which they are located. The agencies may give the same preference given by the state in which the nonresident bidder or offeror is located.

A “responsive bid” is a bid that is submitted in accordance with relevant procurement law and conforms in all material respects to the invitation for bids; “responsive offer” is not a defined term in State law. A “responsible bidder or offeror” is a person who (1) has the capability in all respects to perform fully the requirements for a procurement contract and (2) possesses the integrity and reliability that will ensure good faith performance.

Small Business Effect: Small businesses with their principal offices located in Calvert County that bid on county contracts may benefit from the application of the reciprocal preference. Similarly, small businesses located in the State but not in Calvert County may be at a disadvantage in bidding on contracts in Calvert County but only to the extent that their resident county applies a resident preference.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - March 6, 2018
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