# **Department of Legislative Services**

Maryland General Assembly 2018 Session

## FISCAL AND POLICY NOTE Third Reader - Revised

House Bill 815

**Environment and Transportation** 

(Calvert County Delegation)

Education, Health, and Environmental Affairs

#### **Calvert County - Procurement - Contracts and Bidding**

This bill alters the procurement process in Calvert County. The bill increases, from \$15,000 to \$30,000, the minimum dollar amount of contracts for which the Calvert County Commissioners are required to undergo a formal bidding process. The bill requires contracts for a request for proposal to be awarded to the most responsible offeror and for a revenue generating contract to be awarded to the highest responsible bidder. The bill also clarifies that explanations of specified emergency purchases by the county commissioners need to be published in at least two county newspapers for *two weeks*. A contract that requires payment of funds from appropriations of more than one fiscal year must be awarded as one-year contracts with the option to renew for four additional one-year terms.

## **Fiscal Summary**

State Effect: None.

**Local Effect:** None. The bill does not significantly impact Calvert County operations or finances.

Small Business Effect: None.

#### Analysis

**Current Law:** In Calvert County, contracts for the purchase by the county of supplies or services involving \$15,000 or more must be by formal bidding procedures and the 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.

The following types of contracts may be awarded without complying with these bidding procedures: (1) purchases or contracts involving less than \$15,000; (2) purchases of supplies or services that are available only through one source; (3) contracts for professional services such as those of attorneys, physicians, architects, engineers, accountants, consultants, and others possessing a similar high degree of technical skill and expertise, provided that, to the extent appropriate for the particular services to be provided, an attempt is made to secure competitive proposals for these services; (4) purchases or contracts made when the county commissioners determine that an emergency exists, provided that the county commissioners publish an explanation of the circumstances deemed to constitute the emergency in at least two county newspapers; and (5) purchases based on federal, State, county, or municipal contracts that are established by a legal competitive process.

For purchases or contracts involving less than \$250,000 where the county is acting as the general contractor, the purchase or contract may be awarded after the county obtains quotes for the purchase or contract from at least three vendors or subcontractors.

When it is advantageous to the county to do so, the county may contract to purchase supplies or services for periods of more than one year if funds for the total cost of the contract are available at the time the contract is executed; or a contract requiring the payment of funds from appropriations of more than one fiscal year is approved by resolution of the county commissioners, and is not for more than a three-year term.

The county may enter into a contract for solid waste disposal that may include transportation and require payment of funds from appropriations of the county or receipt of payment to the county. The contract may not extend beyond a twenty-year initial term.

## **Additional Information**

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History:	First Reader - February 22, 2018
md/tso	Third Reader - March 20, 2018
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