

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

House Bill 602 (Calvert County Delegation)

Commerce and Government Matters

Calvert County - Competitive Bidding

This bill increases from \$7,500 to \$15,000 the value of a purchase or contract for which formal bidding procedures are required by the Calvert County Board of County Commissioners.

Fiscal Summary

State Effect: None.

Local Effect: Indeterminate effect on Calvert County expenditures. Revenues would not be affected.

Small Business Effect: Potential meaningful impact on a limited number of small businesses.

Fiscal Analysis

Local Expenditures: This bill increases the dollar amount of a purchase the county can make without utilizing competitive bidding procedures. The number of contracts that would be affected is not known at this time. In any event, the reduced time delay in filling contracts could result in operating efficiencies which could lead to administrative cost savings. In addition, there would be some savings associated with costs of advertising. Calvert County advises that, in light of the growth the county is experiencing, savings associated with the bill would allow them to defer adding employees for a few years. However, Legislative Services notes that it is possible that these savings could be offset to some extent by increased contract costs due to less competitive bidding procedures.

Small Business Effect: Small businesses that do not participate in formal bidding processes could benefit from the opportunity for an increased share of the county's contracts through

informal processes. On the other hand, small businesses that otherwise would have been awarded the contracts would be negatively affected.

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

Fiscal Note History: First Reader - February 18, 1998

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