

**Department of Legislative Services**  
Maryland General Assembly  
1999 Session

**FISCAL NOTE**  
**Revised**

House Bill 1090 (The Speaker) (Administration)  
Commerce and Government Matters

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**Procurement Practices Improvement Act of 1999**

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This Administration bill generally codifies and clarifies State procurement procedures. The bill authorizes a procurement official to disclose, after a solicitation is issued and until a recommendation is made by a procurement officer, only whether a decision has been made regarding a solicitation and specific information already made public. Procurement officers are required to record inquiries and maintain a file on each procurement that includes: (1) all written solicitations by an agency or unit; (2) all offers received; (3) all internal and external correspondence regarding the procurement; (4) specified information about inquiries from a source outside the executive department made after a solicitation is issued; (5) all written documentation from the procurement officer describing the efforts to confirm the information in the affidavits submitted by the successful bidder or offeror; and (6) the final contract.

The bill allows the Attorney General to institute proceedings to debar a person under specified circumstances by filing an administrative complaint with the Board of Public Works (BPW) and charges the BPW with notifying the person of debarment proceedings. The bill clarifies which individuals have financial interest, and defines "procurement official." The bill prohibits participation in the procurement process by officials, employees, and their spouses who have a financial interest in a business involved in a procurement matter, and expressly forbids an employee or official from accepting gifts prohibited by State law.

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## Fiscal Summary

**State Effect:** Although the bill may achieve certain operating efficiencies, it is not expected to materially affect State finances.

**Local Effect:** None.

**Small Business Effect:** A small business impact statement was not provided by the Administration in time for inclusion in this fiscal note. A revised fiscal note will be issued when the Administration's assessment becomes available.

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## Fiscal Analysis

**State Effect:** The bill generally codifies and clarifies current procurement practices. The type of documentation added by this bill is substantially the same as the file required to be provided for the preparation, contents, organization, forwarding, and status of an appeal file as established under current Maryland procurement law. Additionally, under current practice, procurement files are maintained by procurement officials and these files are subject to review by the Office of Legislative Audits for violations of and compliance with Maryland's procurement laws. Accordingly, the requirements of this bill could be handled with existing resources.

Under current law, the Office of the Attorney General (OAG) may recommend to the BPW that a firm or individual be debarred. This bill streamlines the process and allows the OAG to initiate proceedings to debar a business or individual by filing an administrative complaint with the BPW and requires BPW to notify the individual of the proceedings. Any resulting streamlining efficiencies would not materially affect State finances.

Defining the terms "procurement official" and "parties who have a financial interest" clarifies existing law. Prohibiting gifts to procurement officials clarifies current ethics practice.

**Local Effect:** Any effect on local governments that follow State procurement law is assumed to be minimal and able to be handled with existing resources.

**Small Business Effect:** None of the changes in the bill would significantly affect the manner or number of awards to small businesses.

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

