
By: **Delegate Rosenberg**

Introduced and read first time: February 11, 2000

Assigned to: Commerce and Government Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Procurement - Information Technology Services - Pre-Qualification of**
3 **Vendors**

4 FOR the purpose of requiring the Secretary of Budget and Management to adopt a
5 streamlined procurement process for information technology services that
6 requires the pre-qualification of vendors; requiring the Secretary to establish
7 statewide contracts in several categories and subcategories; requiring a vendor
8 of information technology services that intends to do business with the State to
9 become pre-qualified; requiring the Secretary to develop a schedule and time
10 frames for pre-qualification; providing the process for pre-qualification;
11 requiring the Secretary to contract with a pre-qualifying vendor for a certain
12 period; allowing the pre-qualifying vendor to market its services to units of the
13 Executive Branch; providing a procedure by which units of the Executive
14 Branch issue requests for quotations (RFQ) to pre-qualifying vendors; providing
15 the procedures for selecting a vendor of information technology services;
16 requiring that a unit of the Executive Branch evaluate a vendor of information
17 technology services after the vendor completes work on services that were the
18 subject of an RFQ; requiring the Secretary to keep evaluations and provide them
19 to units of the Executive Branch seeking information technology services;
20 requiring the Secretary to use the evaluations in executing future statewide
21 contracts; providing that the procedures under this Act are an exception to
22 general procurement requirements; and generally relating to the
23 pre-qualification of vendors of information technology services.

24 BY repealing and reenacting, with amendments,
25 Article - State Finance and Procurement
26 Section 3-405 and 13-102
27 Annotated Code of Maryland
28 (1995 Replacement Volume and 1999 Supplement)

29 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
30 MARYLAND, That the Laws of Maryland read as follows:

1 **Article - State Finance and Procurement**

2 3-405.

3 (a) A unit of the Executive Branch of the State government may not purchase,
4 lease, or rent information technology unless consistent with SUBSECTION (C) OF THIS
5 SECTION AND the statewide information technology master plan.

6 (b) (1) The Secretary may review any information technology project for
7 consistency with the statewide information technology master plan.

8 (2) Any information technology project selected for review may not be
9 implemented without the Secretary's approval.

10 (C) (1) THE SECRETARY SHALL ADOPT A STREAMLINED PROCUREMENT
11 PROCESS FOR PROCURING INFORMATION TECHNOLOGY SERVICES THAT REQUIRES
12 THE PRE-QUALIFICATION OF VENDORS.

13 (2) (I) UNDER THE PROCESS ESTABLISHED UNDER THIS SUBSECTION
14 THE SECRETARY SHALL ESTABLISH STATEWIDE CONTRACTS IN EACH OF THE
15 FOLLOWING CATEGORIES:

- 16 1. COMPUTER TRAINING SERVICES;
- 17 2. COMPUTER PROGRAMMING AND COMPUTER SYSTEMS
18 ANALYSIS SUPPORT;
- 19 3. INFORMATION TECHNOLOGY CONSULTING SERVICES;
20 AND
- 21 4. LOCAL AREA NETWORK SERVICES.

22 (II) THE SECRETARY SHALL ALSO DEVELOP PRE-DEFINED
23 SUPPORT OR SERVICE SUBCATEGORIES IN EACH OF THE FOUR CATEGORIES.

24 (3) (I) A VENDOR OF INFORMATION TECHNOLOGY SERVICES THAT
25 INTENDS TO DO BUSINESS WITH THE STATE OR WITH ANY UNIT OF THE EXECUTIVE
26 BRANCH SHALL BECOME PRE-QUALIFIED IN ONE OR MORE OF THE SUPPORT OR
27 SERVICE AREAS.

- 28 (II) 1. THE SECRETARY SHALL ESTABLISH A SCHEDULE FOR:
29 A. THE CONSIDERATION OF PROPOSALS FOR
30 PRE-QUALIFICATION; AND
31 B. TIME FRAMES DURING WHICH PRE-QUALIFICATION IS
32 APPLICABLE.

33 2. A VENDOR'S PROPOSAL FOR PRE-QUALIFICATION SHALL
34 BE FOR A DEFINED TIME FRAME ESTABLISHED BY THE SECRETARY IN THE
35 SCHEDULE.

1 (III) A VENDOR SHALL SUBMIT A PROPOSAL FOR
2 PRE-QUALIFICATION ON A FORM PROVIDED BY THE SECRETARY.

3 (IV) 1. AFTER A VENDOR HAS SUBMITTED A PROPOSAL FOR
4 PRE-QUALIFICATION, THE SECRETARY SHALL DETERMINE WHETHER TO
5 PRE-QUALIFY THE VENDOR BASED ON THE VENDOR'S PAST PERFORMANCE.

6 2. THE SECRETARY SHALL DETERMINE PAST PERFORMANCE
7 BASED ON:

8 A. THE VENDOR'S PRIOR EXPERIENCE AND CLIENT
9 REFERENCES SUBMITTED BY THE VENDOR IN THE PROPOSAL FOR
10 PRE-QUALIFICATION; AND

11 B. EVALUATIONS COMPLETED BY UNITS OF THE EXECUTIVE
12 BRANCH UNDER PARAGRAPH (6) OF THIS SUBSECTION.

13 (4) (I) AFTER A VENDOR PRE-QUALIFIES, THE SECRETARY SHALL
14 EXECUTE A CONTRACT WITH THE VENDOR FOR A PERIOD OF NOT MORE THAN 3
15 YEARS.

16 (II) AFTER THE VENDOR SIGNS THE CONTRACT, THE VENDOR MAY
17 MARKET ITS SERVICES TO INDIVIDUAL UNITS OF THE EXECUTIVE BRANCH.

18 (5) (I) A UNIT OF THE EXECUTIVE BRANCH THAT IS IN NEED OF AN
19 INFORMATION TECHNOLOGY SERVICE SHALL ISSUE A REQUEST FOR QUOTATION
20 (RFQ) TO ANY VENDOR THAT IS PRE-QUALIFIED FOR THE SERVICES SOUGHT.

21 (II) IF THE PROCUREMENT OFFICER FOR THE UNIT EXPECTS THAT
22 THE TOTAL COST OF THE PROPOSED PROCUREMENT WILL EXCEED \$100,000, THE
23 UNIT SHALL ISSUE AN RFQ TO AT LEAST THREE PRE-QUALIFIED VENDORS.

24 (III) IF THE PROCUREMENT OFFICER FOR THE UNIT EXPECTS THAT
25 THE TOTAL COST OF THE PROPOSED PROCUREMENT WILL BE \$100,000 OR LESS, THE
26 UNIT SHALL ISSUE AN RFQ TO ONE OR MORE PRE-QUALIFIED VENDORS.

27 (6) (I) AFTER A UNIT OF THE EXECUTIVE BRANCH RECEIVES
28 RESPONSES TO ITS RFQ, IT SHALL EVALUATE THE RESPONSES AND SELECT A
29 VENDOR.

30 (II) 1. THE UNIT OF THE EXECUTIVE BRANCH SHALL
31 DETERMINE THE FACTORS ON WHICH THE SELECTION OF A VENDOR IS BASED.

32 2. THE UNIT OF THE EXECUTIVE BRANCH MAY CONSIDER,
33 BUT IS NOT REQUIRED TO CONSIDER, THE COST OF THE SERVICES OFFERED.

34 (7) (I) AFTER THE VENDOR COMPLETES WORK ON SERVICES THAT
35 WERE THE SUBJECT OF AN RFQ, THE UNIT OF THE EXECUTIVE BRANCH SHALL
36 EVALUATE THE PERFORMANCE OF THE VENDOR ON A FORM PROVIDED BY THE
37 SECRETARY.

1 (II) THE SECRETARY SHALL KEEP THE PERFORMANCE
2 EVALUATIONS COMPLETED UNDER THIS PARAGRAPH AND SHALL:

3 1. PROVIDE THE EVALUATIONS TO OTHER UNITS OF THE
4 EXECUTIVE BRANCH SEEKING INFORMATION TECHNOLOGY SERVICES; AND

5 2. CONSIDER THE EVALUATIONS IN EXECUTING FUTURE
6 STATEWIDE CONTRACTS.

7 [(c)] (D) (1) A unit of government in the Executive Branch of State
8 government shall advise the chief of any information technology proposal involving
9 resource sharing, the exchange of goods or services, or a gift, contribution, or grant of
10 real or personal property.

11 (2) The chief shall determine if the value of the resources, services, and
12 property to be obtained by the State under the terms of any proposal submitted in
13 accordance with the provisions of paragraph (1) of this subsection equals or exceeds
14 \$100,000.

15 (3) If the value of any proposal submitted in accordance with this
16 subsection equals or exceeds \$100,000 and the Secretary and unit agree to proceed
17 with the proposal, information on the proposal shall be:

18 (i) advertised for a period of at least 30 days in the "Contract
19 Weekly", as published by the Office of the Secretary of State; and

20 (ii) submitted, simultaneously with the advertisement, to the
21 Legislative Policy Committee for a 60-day review and comment period, during which
22 time the Committee may recommend that the proposal be treated as a procurement
23 contract under Division II of this article.

24 (4) Following the period for review and comment by the Legislative
25 Policy Committee under paragraph (3) of this subsection, the proposal is subject to
26 approval by the Board of Public Works.

27 (5) This subsection may not be construed as authorizing an exception
28 from the requirements of Division II of this article for any contract that otherwise
29 would be subject to the State procurement process.

30 13-102.

31 (a) Except as provided in § 3-405(C) OF THIS ARTICLE AND Subtitle 3 of this
32 title, all procurement by units shall be by competitive sealed bids unless one of the
33 following methods specifically is authorized:

34 (1) competitive sealed proposals under § 13-104 or § 13-105 of this
35 subtitle;

36 (2) noncompetitive negotiation under § 13-106 of this subtitle;

- 1 (3) sole source procurement under § 13-107 of this subtitle;
- 2 (4) emergency or expedited procurement under § 13-108 of this subtitle;
- 3 (5) small procurement under § 13-109 of this subtitle; or
- 4 (6) an intergovernmental cooperative purchasing agreement under §
5 13-110 of this subtitle.
- 6 (b) (1) In awarding a procurement contract for human, social, cultural, or
7 educational service, the preferred method is by competitive sealed proposals under §
8 13-104 of this subtitle.
- 9 (2) In awarding a procurement contract for a lease of real property, the
10 preferred method is by competitive sealed proposals under § 13-105 of this subtitle.
- 11 (3) Procurement under an intergovernmental cooperative purchasing
12 agreement is appropriate in situations where the State is expected to achieve a better
13 price as the result of economies of scale or to otherwise benefit by purchasing in
14 cooperation with another governmental entity.

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
16 October 1, 2000.