

Department of Legislative Services  
Maryland General Assembly  
2000 Session

FISCAL NOTE

House Bill 1214 (Delegate Rosenberg)

Commerce and Government Matters

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**Procurement - Information Technology Services - Pre-Qualification of Venders**

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This bill requires the Department of Budget and Management (DBM) to adopt a streamlined procurement process for information technology (IT) services that requires pre-qualification of venders. DBM must establish statewide contracts in four categories: (1) computer training services; (2) computer programming and computer systems analysis support; (3) IT consulting services; and (4) local area network services. DBM is required to establish subcategories for each category. The bill requires an IT services vender to become pre-qualified and establishes procedures for pre-qualification. After pre-qualification, a vender may market its services to individual units of the executive branch. The bill requires units to complete a performance evaluation of IT venders and submit the evaluations to DBM. DBM must then make the evaluations available to other units and use the evaluations in executing future statewide contracts.

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**Fiscal Summary**

**State Effect:** General fund expenditures in FY 2001 could increase by up to \$250,000 to update the State's Advanced Purchasing and Inventory Control System. Although the bill would achieve certain operating efficiencies, it is not expected to materially affect State finances. Revenues would not be affected.

**Local Effect:** None.

**Small Business Effect:** Potential meaningful.

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**Analysis**

**Current Law:** DBM is responsible for developing, maintaining, revising, and enforcing IT policies and standards, as well as developing a statewide IT master plan. Each unit of the executive branch is required to develop, and submit to DBM, IT policies consistent with DBM's established guidelines. Each executive branch unit's information technology must be consistent with the statewide IT master plan. A unit of the executive branch may only purchase, lease, or rent information technology if it is consistent with the statewide IT master plan.

**Background:** On February 29, 2000, DBM released a request for proposals entitled Technology Services Procurement. The contract will be awarded to multiple vendors. Units of the executive branch will use task orders to encumber funds for technology services procurement. The contract covers enterprise service providers, electronic commerce and electronic data interchange support, electronic document management, geographic information systems, software engineering, systems and facilities management and maintenance, information system security support services, and application service providers.

**State Fiscal Effect:** DBM advises that the bill would require adding reporting capabilities to the State's Advanced Purchasing and Inventory Control System (ADPICS). ADPICS tracks the State's procurement activities. DBM advises that it would contract with a vendor to incorporate reporting features and evaluation data into ADPICS, at a cost of \$250,000 (general funds). Any administrative costs associated with implementing the reporting system could be handled with existing resources.

This bill streamlines the procurement process for IT services. Any resulting streamlining efficiencies would not materially affect State finances. The cost of procuring IT services should not be materially affected.

**Small Business Effect:** Revenues could increase significantly to a small business IT vendor if it wins the contract to update ADPICS. Revenues from State contracts for small business IT vendors in the reporting system could either increase or decrease, depending on the nature of the evaluations.

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## **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Budget and Management, Department of Health and Mental Hygiene, Office of the Attorney General, Department of Legislative Services

**Fiscal Note History:** First Reader - March 5, 2000  
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