

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE

House Bill 177 (Delegate Wood)

Commerce and Government Matters

State Procurement - Intergovernmental Cooperative Purchasing

This bill expands the definition of “governmental entity” for purposes of intergovernmental cooperative purchasing agreements to include an affiliation, alliance, consortium, or group composed solely of governmental entities that is established for purposes of promoting intergovernmental cooperative purchasing.

Fiscal Summary

State Effect: Minimal decrease in expenditures to the extent that units of State government participate in cooperative purchasing agreements in which associations of governmental agencies are named as the purchaser. Revenues would not be affected.

Local Effect: Minimal decrease in expenditures. Revenues would not be affected.

Small Business Effect: Minimal.

Analysis

Current Law: Units of State government may participate in intergovernmental cooperative purchasing agreements with one or more of the following governmental entities: (1) the federal government or a federal agency or other federal instrumentality; (2) another state or agency or instrumentality of another state; (3) a bistate or multistate agency; (4) a county, municipal corporation, or other political subdivision of the State or another state, or an agency or other instrumentality of the political subdivision; (5) a bicounty or multicounty agency; or (6) a primary procurement unit. The State is not authorized to participate in a procurement in the name of an association or affiliation of governmental agencies.

Background: Intergovernmental cooperative purchasing agreements take advantage of economies of scale to decrease procurement costs. The Department of Transportation has

participated in intergovernmental cooperative purchasing agreements with Delaware for rock salt and with Pennsylvania for road paint. The Baltimore Regional Cooperative Purchasing Committee, consisting of Anne Arundel, Baltimore, Carroll, Harford, and Howard counties; Baltimore City; and the State, has made various purchases, including deicing materials, fax machines, and fluorescent lamps.

Occasionally, procurements are made in the name of an association of governments or governmental entities. The State is one of approximately 30 members of the Minnesota Multistate Contracting Alliance for Pharmaceuticals. The bill would authorize the State to participate in purchases made in the name of the alliance.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Budget and Management, Department of General Services, Department of Health and Mental Hygiene, Department of Public Safety and Correctional Services (Division of Correction), University System of Maryland, Department of Legislative Services

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