

Department of Legislative Services

Maryland General Assembly

2001 Session

FISCAL NOTE

Revised

Senate Bill 70 (Chairman, Economic and Environmental Affairs Committee)

(Departmental – General Services)

Economic and Environmental Affairs

Commerce and Government Matters

State Procurement - Electronic Transactions

This departmental bill provides that a State procurement may be conducted by electronic means, as provided in the Maryland Uniform Electronic Transactions Act. The bill also provides that a State agency conducting a procurement by electronic means, or a private contractor providing the State with means to conduct an electronic procurement, may charge a bidder a reasonable fee for the use of the electronic means. However, no fee may be charged unless approved by the Board of Public Works. The terms and conditions of an electronic procurement must comply with the Maryland Uniform Electronic Transactions Act.

The bill is effective June 1, 2001.

Fiscal Summary

State Effect: None. The bill clarifies current law and codifies existing practice by some primary procurement units.

Local Effect: None.

Small Business Effect: The Department of General Services has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

Analysis

Current Law: Conducting procurement transactions by electronic means is not specifically prohibited or specifically permitted. A fee or deposit may be charged for invitation to bid documents.

Background: In July 1999, the National Conference of Commissioners on Uniform State Laws (NCCUSL) adopted two uniform model laws concerning commercial transactions and information technology, the Uniform Electronic Transactions Act (UETA) and the Uniform Computer Information Transactions Act (UCITA). Maryland enacted the model uniform law as Chapters 8 and 11, respectively, of 2000. The model laws provided for the use of electronic signatures and standards for electronic transactions. The laws do not specifically provide for, or prohibit, the use of electronic means for procurement transactions.

In addition to the uniform model laws, the eMaryland Initiative (Chapter 6 of 2000) created a CEO Board of Advisors for E-Commerce and an eMaryland Application Service Provider (ASP) at the University of Maryland to create an advanced electronic business environment in Maryland. The Department of General Services (DGS) in partnership with Science Applications International Corporation (SAIC) and its partners KPMG Consulting and Mētiom, has established the eMaryland Marketplace (www.emarylandmarketplace.com) to provide for interactive bidding and catalog purchasing. The interactive bidding is a paid subscription service (\$150 for basic service, \$225 for premium level) that allows the State to post solicitations and receive bids online. The catalog purchasing allows vendors to post e-catalogs from which State agencies can make electronic purchases at a cost to the vendor of \$3.50 per transaction.

Additional Comments: According to DGS, the implementation of the eMaryland Marketplace has resulted in a reduction of expenditures for postage, copying, and data entry.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Legislative Services, Department of General Services, Department of Budget and Management, University System of Maryland,

Department of Transportation, Department of Public Safety and Correctional Services
(Division of Correction), Department of Health and Mental Hygiene

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