

**Department of Legislative Services**

Maryland General Assembly

2001 Session

**FISCAL NOTE**

**Revised**

House Bill 903 (Delegate Rosenberg)

Commerce and Government Matters

Economic and Environmental Affairs

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**Procurement - Streamlined Process for Procurement of Information Technology Services**

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This bill requires the Secretary of Budget and Management to adopt, by regulation, a streamlined procurement process for information technology (IT) services that provides for the prequalification of offerors in one or more IT service categories.

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**Fiscal Summary**

**State Effect:** Although the bill would achieve certain operating efficiencies, it is not expected to materially affect State finances. Adoption of the regulations could be handled with the existing budgeted resources of the Department of Budget and Management (DBM). Revenues would not be affected.

**Local Effect:** None.

**Small Business Effect:** Meaningful.

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**Analysis**

**Bill Summary:** The bill requires that the streamlined procurement process include: (1) the categories of IT services for the streamlined process; (2) a procedure for proposal qualification; (3) the execution of a standard contract for a specified period of time between the State and an approved offeror; (4) policies and procedures to be followed by units of the executive branch in issuing a solicitation for a task order for IT services; and (5) a performance evaluation procedure to be used to evaluate the performance of those IT vendors who have completed work on task orders.

An executive branch unit that requires IT services may issue a solicitation for a task order to a qualified offeror in the appropriate IT category. If the unit expects that the total cost of the services will exceed \$100,000, the unit must issue a solicitation for a task order to all qualified offerors in the appropriate category. If the unit expects that the total cost of the services will be \$100,000 or less, the unit must issue a solicitation of a task order to the lesser of all qualified offerors or six qualified offerors in the appropriate category. After a unit receives responses from qualified offerors, the unit may select an offeror based on the response that is determined to be the most advantageous to the State.

**Current Law:** Procurements may be made using: (1) competitive sealed proposals; (2) noncompetitive negotiation; (3) sole source; or (4) an intergovernmental cooperative purchasing agreement. 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:** In fiscal 2000 State spending on IT related goods and services totaled \$505 million, representing approximately 3% of the total State budget. In fiscal 2001, State spending on IT related goods and services is expected to be approximately \$570 million.

**Small Business Effect:** Small business IT vendors would be subject to a different procurement process. Revenues from State contracts for small business IT vendors in the reporting system could either increase or decrease, depending on the nature of the streamlining procedures adopted by DBM.

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### **Additional Information**

**Prior Introductions:** A similar bill, HB 1214, was introduced in the 2000 session and received an unfavorable report from the House Commerce and Government Matters Committee.

**Cross File:** None.

**Information Source(s):** Department of Budget and Management, Department of Health and Mental Hygiene, Department of Public Safety and Correctional Services (Division of Correction), Department of Transportation, Department of Legislative Services

**Fiscal Note History:** First Reader – March 5, 2001  
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