

Department of Legislative Services

Maryland General Assembly

2002 Session

FISCAL NOTE

House Bill 97 (Chairman, Commerce and Government Matters Committee)
(Departmental – Transportation and General Services)

Commerce and Government Matters

Education, Health, and Environmental
Affairs

**Procurement - Architectural and Engineering Services - Review by Selection
Boards**

This bill raises the threshold to \$200,000 for when a recommendation must be made to the Board of Public Works for the award of a contract for architectural and engineering services from the General Professional Services Selection Board, also known as the General Services Board (GSB), or the Transportation Professional Services Selection Board (TPSSB). The bill also increases to \$200,000 the amount below which a transportation unit must competitively negotiate for contracts for architectural and engineering services at a price the unit determines to be fair and reasonable, and provides that a procurement unit may not award a contract to a person for architectural or engineering services of more than \$200,000 unless the person has executed a truth-in-negotiation certificate.

The bill is effective July 1, 2002.

Fiscal Summary

State Effect: Expenditures and revenues would not be directly affected. Potential administrative efficiencies associated with certain procurements.

Local Effect: None.

Small Business Effect: The Department of Transportation has determined that this bill will have minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

Analysis

Current Law: By regulation the Board of Public Works has delegated to the Department of General Services and the Maryland Department of Transportation the authority to negotiate and award contracts for architectural and engineering services of up to \$200,000. The statute, however, requires that contracts for architectural and engineering services of \$100,000 have a recommendation for awarding the contract made to the Board of Public Works from the GSB or the TPSSB.

A transportation unit must negotiate competitively each procurement contract for architectural or engineering services of \$100,000 or less at a price the unit determines as fair and reasonable. A procurement contract to a person for architectural or engineering services of more than \$100,000 cannot be awarded unless the person has executed a truth-in-negotiation certificate.

State Fiscal Effect: Expenditures for architectural and engineering services would not be directly affected. There could be an increase in administrative efficiencies through conforming the threshold in statute for requiring a review board recommendation to the authority (granted by the Board of Public Works) of the agencies to negotiate and award contracts for architectural and engineering services.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of General Services, Department of Transportation, Department of Legislative Services

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lsc/jr

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