

Department of Legislative Services
Maryland General Assembly
2003 Session

FISCAL AND POLICY NOTE

House Bill 847

(Calvert County Delegation)

Environmental Matters

Education, Health, and Environmental
Affairs

Calvert County - Competitive Bidding - Exceptions

This bill provides that in Calvert County, when the county is acting as the general contractor, purchases and contracts under \$250,000 are exempt from county bidding procedures, if the county has obtained quotes for the purchase or contract from at least three vendors or subcontractors.

Fiscal Summary

State Effect: None.

Local Effect: Calvert County expenditures could decrease if purchases and contracts valued at less than \$250,000 are exempted from current bidding procedures. Revenues would not be affected.

Small Business Effect: Minimal.

Analysis

Current Law: In Calvert County, contracts may be awarded without complying with the county's bidding procedures when: (1) purchases or contracts involve less than \$15,000; (2) purchases of supplies or services are available only through one source; (3) contracts for professional services requiring a high degree of technical skill and expertise; (4) purchases or contracts made when the county commissioners determine that an emergency exists provided the county commissioners provide an explanation of the

circumstances in at least two county newspapers; and (5) purchases based on federal, State, county, or municipal contracts that are established by a legal competitive process.

Background: Based on prior purchases and contracts, Calvert County estimates a cost savings of 10% to 20% on purchases and contracts valued at less than \$250,000 if the purchases or contracts were exempt from current bidding procedures. Calvert County advises that the number of purchases and contracts valued at less than \$250,000 varies annually and that costs savings would depend on the size and type of project.

Local Fiscal Effect: Calvert County expenditures could decrease if the bill's criteria are met. For illustrative purposes only, assuming there are five purchases or contracts annually with an average cost of \$200,000 each, with no purchase or contract valued over \$250,000, and an average cost savings of 10%, Calvert County expenditures could decrease by approximately \$100,000 annually. However, any impact depends on the size and type of purchases or contracts.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Calvert County, Department of Legislative Services

Fiscal Note History: First Reader - March 11, 2003
lc/hlb

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