

**Department of Legislative Services**  
 Maryland General Assembly  
 2006 Session

**FISCAL AND POLICY NOTE**

House Bill 457 (Delegate Bohanan)  
 Health and Government Operations and Appropriations

**Procurement - St. Mary's College of Maryland - Public Works Authority**

This bill exempts all public improvement projects of St. Mary’s College and the Historic St. Mary’s City Commission from oversight by the Department of General Services (DGS) and the Board of Public Works (BPW). It also clarifies that St. Mary’s College is exempt from State procurement laws and requires the college to establish its own procurement policies and procedures in accordance with State law. The bill also gives the State Board of Contract Appeals authority over contract claims related to procurement contracts awarded by St. Mary’s College after the bill’s effective date, subject to a vote of the board of trustees and the approval of BPW.

The bill takes effect July 1, 2006.

**Fiscal Summary**

**State Effect:** The bill would increase the autonomy of St. Mary’s College and the Historic St. Mary’s City Commission (HSMCC) with respect to procurement of public improvement projects. St. Mary’s College expenditures could increase by approximately \$70,400 beginning in FY 2009 for one new position in its capital procurement office. Future year expenditures reflect inflation and employee turnover.

| (in dollars)   | FY 2007 | FY 2008 | FY 2009    | FY 2010    | FY 2011    |
|----------------|---------|---------|------------|------------|------------|
| Revenues       | \$0     | \$0     | \$0        | \$0        | \$0        |
| Higher Ed Exp. | 0       | 0       | 70,400     | 74,400     | 78,600     |
| Net Effect     | \$0     | \$0     | (\$70,400) | (\$74,400) | (\$78,600) |

*Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect*

**Local Effect:** None.

**Small Business Effect:** None.

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## **Analysis**

**Bill Summary:** The bill exempts public improvement projects for St. Mary's College and HSMCC from BPW and DGS oversight. It also eliminates a provision requiring BPW to approve any contract for public improvement projects at St. Mary's College and the HSMCC. However, it allows BPW to request advice from DGS on any contract that involves an engineering question or public improvement for St. Mary's College and the commission if the contract exceeds \$500,000.

The bill also clarifies that St. Mary's College is exempt from State procurement laws. Instead, procurement conducted by St. Mary's College must comply with policies and procedures developed by the college and subject to the approval of BPW and the General Assembly's Administrative, Executive, and Legislative Review Committee.

After June 30, 2006, the St. Mary's College Board of Trustees may vote to give the State Board of Contract Appeals authority over contract claims related to its procurement contracts, subject to approval by BPW.

**Current Law:** St. Mary's College is generally exempt from State procurement laws except for public improvement projects funded with State general funds or general obligation bond proceeds. BPW must approve all public improvement projects for the college, regardless of funding source, and HSMCC. BPW has delegated public improvement procurement authority to St. Mary's College for capital contracts for \$200,000 or less (if non-State funded). DGS is responsible for providing oversight on any public improvement project for HSMCC and for any State-funded project for the college.

HSMCC is not exempt from State procurement laws. USM is generally exempt from State procurement laws. However, USM's procurement process must, to the extent practicable, function in accordance with State procurement laws and regulations.

**State Effect:** St. Mary's College expenditures could increase by \$70,400 in fiscal 2009, which reflects the cost of adding one new position in its procurement office to handle the increased capital project management. It includes a salary, fringe benefits, and ongoing operating expenses.

|   |                 |
|---|-----------------|
| Salary and Fringe Benefits              | \$68,400        |
| Workstation                             | <u>2,000</u>    |
| <b>Total FY 2007 State Expenditures</b> | <b>\$70,400</b> |

State expenditures for capital projects could decrease if the college's management of State-funded capital projects results in more timely project development and completion.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of General Services, Board of Public Works, St. Mary's College, Department of Legislative Services

**Fiscal Note History:** First Reader - March 16, 2006  
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