

**Department of Legislative Services**  
Maryland General Assembly  
2007 Session

**FISCAL AND POLICY NOTE**

Senate Bill 764 (Senator Dyson)

Education, Health, and Environmental Affairs

Health and Government  
Operations

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**Higher Education - St. Mary's College of Maryland - Procurement Authority**

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This bill clarifies that St. Mary's College of Maryland (SMCM) is exempt from most State procurement laws. It also clarifies that procurement policies and procedures established by SMCM must promote the general purposes of State procurement law, and that they are subject to the review and approval of the Board of Public Works (BPW) and the General Assembly's Administrative, Executive, and Legislative Review Committee (AELR).

The bill takes effect June 1, 2007.

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**Fiscal Summary**

**State Effect:** None. The bill clarifies existing law and practice.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** Procurement policies and procedures developed by SMCM are subject to review and approval by BPW and AELR. They are subject to review but not approval, by the General Assembly's Legislative Policy Committee.

SMCM is subject to the following provisions of State procurement law:

- a prohibition against collusion in the procurement process;
- a prohibition against falsifying material facts in the procurement process;
- a requirement to include a nondiscrimination clause in every procurement contract;
- a 5% cap on retainage fees associated with construction contracts;
- participation in the State's minority business enterprise program;
- specific requirements for procurement contract administration;
- a requirement that State contractors pay their subcontractors in a timely fashion; and
- provisions allowing the State to debar contractors who violate State procurement laws and regulations.

**Background:** Chapter 255 of 2006 exempts SMCM from most State procurement laws. Chapter 255 amended the State Finance and Procurement Article of the Annotated Code of Maryland to indicate that procurement policies and procedures developed by SMCM should promote the general purposes of State procurement law, and that they are subject to the review and approval of the BPW and AELR. It did not, however, make similar changes to the Education Article. This bill corrects that oversight.

BPW advises that, under the terms of Chapter 255, it approved SMCM's procurement policies and procedures at its January 24, 2007, meeting. AELR approved SMCM's policies and procedures on January 8, 2007.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 1095 (Delegate Bohanan) – Health and Government Operations and Appropriations.

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

**Fiscal Note History:** First Reader - March 19, 2007  
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