

Department of Legislative Services
Maryland General Assembly
2007 Session

FISCAL AND POLICY NOTE

House Bill 905 (Frederick County Delegation)

Health and Government Operations

Education, Health, and Environmental
Affairs

**Frederick County - Procurement Contracts - Architectural and Engineering
Services**

This bill expands the procedures that Frederick County may use to procure architectural and engineering (A & E) services that cost more than \$30,000. Specifically, for A & E procurements, Frederick County may evaluate the technical proposals and qualifications of at least two individuals and establish a contract price that is fair, competitive, and reasonable.

The bill takes effect July 1, 2007.

Fiscal Summary

State Effect: None.

Local Effect: The expedited procurement process allowed by the bill could reduce administrative expenses for Frederick County without significantly reducing the competitiveness of A & E procurements. The extent of the savings from the expedited process cannot be reliably estimated. The bill could also accelerate the awarding of contracts for A & E services, leading to earlier project completion times.

Small Business Effect: Minimal. Small businesses bidding on A & E procurements in Frederick County could benefit from expedited contract awards.

Analysis

Current Law: Frederick County must use competitive bidding to procure contracts for supplies and materials valued in excess of \$30,000, with the exception of A & E services. For A & E services costing more than \$30,000, Frederick County must use either competitive sealed bidding or competitive negotiation, the latter of which involves the submission of written technical and price proposals from two or more sources and a written evaluation of those proposals in accordance with specified criteria.

State agencies that wish to procure A & E services in excess of \$200,000 must submit their request to the General Professional Services Selection Board in the Department of General Services (for all but transportation-related projects) or the Transportation Professional Services Selection Board in the Maryland Department of Transportation for transportation-related projects. After reviewing the technical proposals and qualifications of at least two individuals, the respective boards begin negotiations with the most qualified person and seek to negotiate a contract that includes a rate that is fair, competitive, and reasonable. If they are unable to reach agreement on a compensation rate, the boards begin negotiations with the next most qualified individual.

Additional Comments: It is unclear whether the contract rate for A & E services specified in the bill is negotiated, as required for State procurements, or dictated by Frederick County.

Additional Information

Prior Introductions: None.

Cross File: SB 960 (Senators Brinkley and Mooney) – Education, Health, and Environmental Affairs.

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

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ncs/hlb

Analysis by: Michael C. Rubenstein

Direct Inquiries to:
(410) 946-5510
(301) 970-5510