

Department of Legislative Services
Maryland General Assembly
2007 Session

FISCAL AND POLICY NOTE

Senate Bill 326

(Cecil County Senators)

Education, Health, and Environmental Affairs

Health and Government Operations

Cecil County - Bridge or Road Construction or Repair Contracts

This bill increases the noncompetitively bid contract threshold amount for the construction or repair of a bridge or road, or the purchase or lease of any road or construction equipment, from \$7,500 to \$10,000 in Cecil County. It also repeals the limit on the dollar amount a particular contractor may receive in noncompetitively bid contracts during a two-month period.

The bill takes effect June 1, 2007.

Fiscal Summary

State Effect: None.

Local Effect: Potential minimal savings by making Cecil County Department of Public Works purchasing regulations compatible with county-wide purchasing regulations.

Small Business Effect: Overall minimal, but potential meaningful if a contractor is able to receive multiple noncompetitively bid contracts or is able to receive a noncompetitively bid contract of greater value.

Analysis

Current Law: Generally, in Cecil County a contract for the construction or repair of a bridge or road, or for the purchase or lease of any road or construction equipment or machinery, must be awarded to the lowest responsive and responsible bidder. This does not apply if the value of the contract is \$7,500 or less, or if the expenditure is declared to

be an emergency by the county commissioners. In either instance, the county commissioners may provide for the manner of the expenditure (including whether the work must be done by contract), and if done by contract, the manner of letting the contract.

A particular contractor in Cecil County may not be awarded more than \$20,000 worth of noncompetitively bid contracts during a two-month period. This does not apply in the case of an emergency contract.

Generally, Cecil County's Purchasing Code authorizes supplies, construction, lease/rental equipment, and services that cost \$200 or less to be purchased without the solicitation of formal quotes. Those that cost between \$200 and \$10,000 have to be purchased from the lowest responsible bidder after soliciting verbal quotations (or written ones if time allows) from two or more qualified suppliers. If the cost is greater than \$10,000, the county must choose the lowest responsible bidder meeting certain specifications after advertising for bids.

Local Fiscal Effect: Cecil County advises that the bill would likely have minimal fiscal impact on the county since the county's Department of Public Works seldom requires services or equipment costing between \$7,500 and \$10,000. However, the county could save money due to the efficiencies creating by making the purchasing regulations of the Department of Public Works compatible with the existing county-wide purchasing regulations.

Additional Information

Prior Introductions: None.

Cross File: HB 907 (Cecil County Delegation) – Health and Government Operations.

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

Fiscal Note History: First Reader - March 6, 2007
ncs/hlb

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