

Department of Legislative Services
 Maryland General Assembly
 2009 Session

FISCAL AND POLICY NOTE

Senate Bill 632 (Senator Pugh, *et al.*)
 Education, Health, and Environmental Affairs

Procurement - Maryland Business Access List

This bill requires the Board of Public Works (BPW) to develop and maintain an Internet-based list available to the public of all persons that have been awarded a State procurement contract. The list must include the person’s name, address, and telephone number and a description of the contract, including the amount of the award.

Fiscal Summary

State Effect: State expenditures (multiple funds) increase by \$130,000 in FY 2010 to compile the necessary information and design and develop the web site. Of that, \$100,000 is a one-time expense by the Department of Information Technology (DoIT) for web site design and development, and \$30,000 reflects ongoing expenses for data compilation by various agencies. All expenditures are general funds except for \$10,000 in special funds by the Maryland Department of Transportation (MDOT) and \$10,000 in higher education funds by the University System of Maryland (USM) and Morgan State University (MSU). Out-year costs reflect inflation. No effect on revenues.

(in dollars)	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	110,000	10,400	10,900	11,400	11,900
SF Expenditure	10,000	10,400	10,900	11,400	11,900
Higher Ed Exp.	10,000	10,400	10,900	11,400	11,900
Net Effect	(\$130,000)	(\$31,300)	(\$32,700)	(\$34,100)	(\$35,600)

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

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: The Maryland Accountability and Transparency Act (Chapter 659 of 2008) requires the Department of Budget and Management (DBM) to develop and maintain a free, public, searchable web site that includes detailed information on State payments of \$25,000 or more, including payments to contractors. The web site must also include a search function that allows the public to submit queries based on, at a minimum:

- the name and zip code of the payee receiving a payment;
- the amount of a payment; and
- the agency making a payment.

The resulting Maryland Funding Accountability web site is operational and can be accessed at www.spending.dbm.maryland.gov. It includes all eligible payments made by the State, beginning in fiscal 2008.

Subject to certain exemptions, most State contracts valued at more than \$200,000 must obtain BPW approval.

Background: The Department of General Services (DGS) operates eMaryland Marketplace (eMM), a web-based procurement portal that serves as the primary vehicle for State agencies to post procurement notices, receive online bids, and announce contract awards. In July 2006, eMM unveiled an archival search function that allows any member of the public to submit queries for all procurement contract awards made by State agencies within date ranges designated by the individual. For each contract award within the designated time period, query results provide:

- the agency making the award;
- the amount of the award;
- solicitation and contract numbers;
- a description of the services provided;
- the date of the award; and
- the name of the vendor receiving the award.

The results can be sorted by each of those fields except award amounts and description of service. eMM includes all Executive Branch agencies, including institutions of higher education, as well as some local jurisdictions, including Baltimore City. eMM does not include information on small procurements (those for less than \$25,000).

State Fiscal Effect: BPW's internal records only contain information on contracts it approves (generally State contracts worth more than \$200,000). As noted above, eMM, and the Maryland Funding Accountability web site only contain information on procurements and other State payments worth more than \$25,000. To obtain information on small procurements and on payments made with a State purchasing card, BPW needs to obtain regular reports from the State's purchasing and inventory system (ADPICS) and the Comptroller's General Accounting records. It also has to obtain regular reports from USM and MSU, which have independent financial systems that are not linked to ADPICS.

DoIT estimates that the cost of compiling regular ADPICS reports is approximately \$15,000 for other affected agencies and another \$5,000 for DoIT. Based on this estimate, Legislative Services roughly estimates the cost of compiling the necessary financial information for USM, MSU, and the Comptroller's Office to be approximately \$5,000 each. DoIT further estimates the cost of web site design and development to be \$100,000.

Therefore, total State expenditures increase by approximately \$130,000 in fiscal 2010. Of that, \$100,000 is a one-time cost for web site design and development and \$30,000 represents the ongoing costs for data compilation, subject to 4.4% annual labor cost inflation. All expenditures are general funds, except for \$10,000 in special funds for MDOT (to obtain ADPICS reports) and \$10,000 in higher education funds for USM and MSU combined.

BPW notes ADPICS does not contain vendor telephone numbers. To the extent that additional effort is needed to obtain vendor telephone numbers for small procurements, expenditures may increase further.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Board of Public Works, Department of Information Technology, Department of Legislative Services

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