

Department of Legislative Services
Maryland General Assembly
2010 Session

FISCAL AND POLICY NOTE
Revised

House Bill 647

(Delegate Reznik, *et al.*)

Health and Government Operations and Education, Health, and Environmental Affairs
Environmental Matters

Department of Natural Resources - Conservation Service Opportunities -
Procurement Exemption

This emergency bill exempts from most aspects of State procurement law any grants, agreements, or partnerships negotiated or entered into by the Department of Natural Resources (DNR) with nonprofit entities related to conservation service opportunities.

Fiscal Summary

State Effect: The bill's effect on DNR is largely operational, in that it should facilitate the development of conservation-related partnerships with nonprofit organizations without going through all of the normal procurement processes. Given the unique nature of these projects, any potential increase or decrease in procurement expenditures for exempted activities is expected to be negligible.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: State procurement law requires open and competitive procurements, with contract awards generally going to the responsible bidder or offeror with the lowest responsive bid or the offer most advantageous to the State. A responsible bidder or offeror is one who has the capability in all respects to perform fully the requirements for a procurement contract and possesses the integrity and reliability that will ensure good

faith performance. A responsive bid must conform in all material respects to the invitation for bids issued by the procurement unit.

The University System of Maryland, Morgan State University, and St. Mary's College of Maryland are exempt from most provisions of State procurement law. State law also exempts other agencies, in whole or in part, from State procurement law, including:

- Blind Industries and Services of Maryland;
- Maryland State Arts Council;
- Maryland Health and Higher Educational Facilities Authority;
- Department of Business and Economic Development;
- Maryland Food Center Authority;
- Maryland Public Broadcasting Commission;
- Maryland State Planning Council on Developmental Disabilities;
- Maryland Automobile Insurance Fund;
- Maryland Historical Trust;
- Rural Maryland Council;
- Maryland Health Insurance Plan;
- Maryland Energy Administration;
- Maryland Developmental Disabilities Administration;
- Maryland Stadium Authority;
- State Lottery Agency;
- State Retirement and Pension System; and
- Department of General Services for the renovation or restoration of historic buildings.

However, these entities are still subject to specified provisions of State procurement law, including those that prohibit collusion and discrimination, and those that allow suspension and debarment of contractors for misconduct. Most of these entities are also subject to the State's Minority Business Enterprise program. Regardless of the exemptions, procurements by these entities must use procedures that promote the overall purposes of State procurement law.

Background: DNR operates several conservation service programs for disadvantaged youth in partnership with nonprofit organizations that offer community-based outreach and support services. These include partnerships with:

- the Parks and People Foundation in Baltimore, to employ 200 Baltimore City youth in State parks; and
- the Coastal Bays Program, which employed 20 youth from the Eastern Shore in State parks.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Board of Public Works, Department of Budget and Management, Department of Natural Resources, Department of General Services, Department of Legislative Services

Fiscal Note History: First Reader - March 2, 2010
mpc/rhh Revised - House Third Reader - March 30, 2010

Analysis by: Michael C. Rubenstein

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