

Department of Legislative Services
Maryland General Assembly
2024 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 780

(Delegate Embry, *et al.*)

Health and Government Operations

Budget and Taxation

Competitive Sealed Proposals - Security Contracts

This bill establishes that the competitive sealed proposal procurement method is the preferred method to solicit security services if the contract is expected to have a value greater than \$1,000,000. **The bill takes effect July 1, 2025.**

Fiscal Summary

State Effect: The bill is not expected to have a material effect on State operations or finances.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: State procurement law identifies multiple procurement methods available to State procurement officials depending on the nature and circumstances of the procurement. The two most common methods are competitive sealed bids and competitive sealed proposals. In general, procurement officials have the discretion to use whichever method best suits the nature and circumstances of the procurement. However, the competitive sealed proposal method is identified as the preferred (but not required) method for the procurement of human, social, cultural, or educational services and for real property leases.

The basis for award under competitive sealed bids is (1) the lowest bid price; (2) the lowest evaluated bid price; or (3) under specified circumstances, the bid most favorable to the State.

For competitive sealed proposals, procurement officials establish (1) the factors, including price, that are the basis for the contract award and (2) the relative importance of each factor. They must then communicate those factors in the solicitation and award the contract to the offeror whose proposal or best and final offer is determined to be the most advantageous to the State based on the identified factors. This method, therefore, allows State agencies to award contracts based on factors other than lowest price if so specified in the solicitation.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Department of General Services; Board of Public Works; Department of Legislative Services

Fiscal Note History: First Reader - February 18, 2024
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