

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 662 (Delegate Tomlinson, *et al.*)
Health and Government Operations

Procurement - Master Contracting - Authorization

This bill expands authority to engage in master contracting to all Executive Branch procurement units by repealing authority for only designated procurement units to adopt master contracting. The bill also makes technical and conforming changes.

Fiscal Summary

State Effect: No direct effect on State finances, but the bill may create operational inefficiencies by establishing overlapping and unsupervised authority to engage in master contracting.

Local Effect: None. This bill does not materially affect local governmental finances or operations.

Small Business Effect: Minimal.

Analysis

Current Law: A “designated procurement unit” means (1) the Department of General Services; (2) the Maryland Department of Transportation; or (3) the Department of Information Technology, only with respect to an information technology master contract executed before July 1, 2022, until the earlier of the expiration date of all information technology master contracts or June 30, 2027.

Only a designated procurement unit may adopt master contracting, a streamlined procurement method that provides for the qualification of an offeror in one or more categories of services, supplies, or commodities in advance. A designated procurement unit

compiles a list of at least two qualified contractors in one or more categories of service, supplies, or commodities, and may then solicit task orders to those contractors who may bid on the procurement.

If a designated procurement unit adopts master contracting, the solicitation for qualified vendors must include (1) the categories of services, supplies, or commodities in which an offeror may submit a proposal for qualification; (2) a procedure for the consideration and approval of proposals for qualification of multiple offerors in each category of services, supplies, or commodities; (3) the execution of a standard contract for a specified period of time between the State and an offeror approved as a master contractor; and (4) a performance evaluation procedure to be used by a unit to evaluate the performance of a qualified offeror that has completed work on a task order.

Once a master contract is awarded by a designated procurement unit, any unit may issue a solicitation for a task order under the contract with the approval of the designated procurement unit that awarded the master contract and consistent with regulations adopted by the Board of Public Works. The solicitation must include (1) a statement of the factors that will be used in evaluating a master contractor's response and (2) the relative importance of each factor. If the unit expects the total cost of services, supplies, or commodities to be \$100,000 or less, the unit must issue a solicitation for a task order to at least six qualified master contractors or all contractors, whichever is less, in the appropriate category. If the unit expects the total cost to exceed \$100,000, the unit must issue a solicitation to all master contractors in the appropriate category. After a unit receives responses from the master contractors to a solicitation for a task order, the unit must evaluate the responses and select a master contractor based on the response that is determined to be the most advantageous to the State considering the evaluation factors set forth in the solicitation.

Provisions related to the award of task order contracts do not apply to master contracts for construction if the master contract (1) is awarded through a competitive process in accordance with general procurement law and (2) states how task orders will be awarded and the maximum number of qualified contractors that will be awarded a master contract for construction.

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 Information Technology; Maryland Institute for Emergency Medical Services Systems; Maryland Department of Aging; Department of Commerce; Maryland Department of Emergency Management; Alcohol, Tobacco, and Cannabis Commission; Judiciary (Administrative Office of the Courts); Maryland State Department of Education; Maryland Higher Education Commission; University System of Maryland; Morgan State University; Interagency Commission on School Construction; Maryland Department of Agriculture; Department of Budget and Management; Maryland Department of Disabilities; Department of General Services; Maryland Department of Health; Department of Housing and Community Development; Department of Human Services; Department of Juvenile Services; Maryland Department of Labor; Department of Natural Resources; Maryland Department of Planning; Department of Public Safety and Correctional Services; Board of Public Works; Department of State Police; Maryland Department of Transportation; Department of Veterans and Military Families; Maryland State Board of Elections; Maryland Insurance Administration; Maryland State Lottery and Gaming Control Agency; Military Department; Maryland Stadium Authority; Department of Legislative Services

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