





September 27, 2023

**FISCAL AND POLICY NOTE**

TO: Jennifer A. Jenkins  
Council Administrator

William M. Hunt  
Deputy Council Administrator

THRU: Josh Hamlin   
Director of Budget and Policy Analysis

FROM: Roger G. Banegas   
Legislative Budget and Policy Analyst

RE: Policy Analysis and Fiscal Impact Statement  
CB-078-2023 Police Department Towing Contracts

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CB-078-2023 (*Proposed by:* Council Members Oriadha, Blegay, and Burroughs)

Assigned to the Government Operations and Fiscal Policy (GOFP) Committee

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AN ACT CONCERNING POLICE DEPARTMENT TOWING CONTRACTS for the purpose of providing certain legislative intent; providing certain definitions; providing for certain bid, contract, and subcontract requirements; providing for certain bid, contract, and subcontract reporting; and generally regarding Police Department towing contracts.

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**Fiscal Summary**

**Direct Impact**

*Expenditures:* Additional expenditures possible.

*Revenue:* No impact likely.

**Indirect Impact**

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Potentially favorable.

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### **Legislative Summary:**

CB-078-2023<sup>1</sup>, proposed and sponsored by Council Members Oriadha, Blegay, and Burroughs, was presented on September 6, 2023, and was referred to the Government Operations and Fiscal Policy (GOPF) Committee. The proposed Bill would encourage County-based minority business enterprises and County-based small businesses to bid on Police Department towing contracts and that successful bidders, contractors, and subcontractors be treated equitably in the number and type of service calls received from the Police Dispatcher on the Police Vendor List. CB-078-2023 would require that at least 51% of Police Department contracts be awarded to County-based minority businesses (29%) and County-based small businesses (22%), that police towing contracts be bid annually, with no option for extension and that contractors or subcontractors with an employee or employees with one felony conviction be considered as eligible bidders on Police Department towing contracts. The proposed Bill also imposes reporting requirements to ensure compliance with the law.

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### **Background/Current Law:**

Under Subtitle 10A, Division 6, Subdivision 1, Prince George's County, outlines its minority business enterprise procurement protocols. Section 10A-136 sets a general goal that at least 34% of the total dollar value of all County contracts be awarded, directly or indirectly, to minority business enterprises. The value of subcontracts will also be included in that valuation.<sup>2</sup> Section 10A-137 states that the Purchasing Agent and the Contract Compliance Unit have the right to periodically monitor work performed under a contract awarded to ensure that all the provisions of the contract are being complied with<sup>3</sup>. Section 10A-138 also mandates the purchasing agent to maintain records and statistics on contract bids and produce an annual report to both the County Council and the County Executive.<sup>4</sup>

Subtitle 5, Division 21 of the County Code, outlines the towing company licensing provisions. Section 5-265(a)<sup>5</sup> states that it is unlawful for any person to provide a towing service in Prince George's County, Maryland, without receiving a license from the Police Department. Each license will be renewed on an annual basis, and any person who provides a towing service in the County without a license will be guilty of a misdemeanor and, on conviction, would be subject to a fine not exceeding One Thousand Dollars (\$1,000) or imprisonment not to exceed six (6) months, or both. Section 5-267<sup>6</sup> states that the Director of the Environment will be responsible for the implementation, administration, and enforcement of towing service license applications.

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<sup>1</sup> [CB-078-2023](#)

<sup>2</sup> Prince George's County Code [-Sec. 10A-136](#)

<sup>3</sup> Prince George's County Code [-Sec. 10A-137](#)

<sup>4</sup> Prince George's County Code [-Sec. 10A-138](#)

<sup>5</sup> Prince George's County Code [-Sec. 5-265](#)

<sup>6</sup> Prince George's County Code [-Sec. 5-267](#)

**Resource Personnel:**

- Kathy Canning, Legislative Officer
  - Joel Peebles, District 7
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**Discussion/Policy Analysis:**

*Provisions of CB-078-2023:*

If enacted, the proposed Bill would amend Subtitle 10A. *Purchasing. Division 6. Special Provisions.* to add new sections 10A-158.07 to 10A-158.10 under a new subdivision, *Subdivision 17. Police Department Towing Contracts.* These amendments are primarily clarifying in nature and are as follows:

- **§10A-158.07. Legislative Intent.** The purpose of this addition is to inform that the public interest will be served by encouraging County-based minority business enterprises and County-based small businesses to bid on Police Department towing contracts and that successful bidders, contractors, and subcontractors be treated equitably in the number and type of service calls received from the Police Dispatcher on the Police Vendor List. (page 1, line 19, to page 2, line 3).
- **§10A-158.08. Definitions.** This section provides definitions of the key terms of the proposed Bill. Terms such as *Contractor*, *County-based minority business enterprise*, *County-based small business*, *Minority business enterprise*, and *Minority individuals* are an addition to the existing provisions highlighted under Section 10A-101(a)<sup>7</sup> of the Prince George's County Code. The definition for *Police Department* shall mean the Prince George's County Police Department, while a *Subcontractor* is any person undertaking part of the work under the terms of the contract by virtue of agreement with the *Contractor*. (page 2, line 4 to page 3, line 10).
- **§10A-158.09.** This section expressly states that the Police Department towing contracts will be subject to the provisions of Subtitle 10A, except with the following conditions:
  - (1) Police Department towing contracts shall be comprised of at least twenty-nine percent (29%) County-based minority business enterprises and at least twenty-two percent (22%) County-based small businesses for a total of at least fifty-one percent (51%) if the total one hundred percent (100%) of the Police Department towing contracts; and
  - (2) Police Department towing contracts shall be bid annually, with no option for extensions; and

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<sup>7</sup> Prince George's County Code [-Sec. 10A-101](#)

- (3) Contractors or subcontractors with an employee or employee(s) with one felony conviction shall be considered eligible bidders, contractors, and subcontractors in Police Department towing bids, contracts, and subcontracts.
- **Section 10A-158.10.** This section would require the Director of Central Services to transmit a written report that includes the information in this Section to the County Council and the County Executive quarterly. The information that the Director of Central Services would collect and maintain is that of bidders, Contractors, and subcontractors for Police Department towing contracts. The information collected includes the following but not limited to:
    - (1) Total number of bidders for each contract.
    - (2) Names of companies of bidders for each contract.
    - (3) Names of Companies of bidders for each contract listed by subcategory of minority business enterprise, (A) African American Business Enterprise, (B) Asian American and Pacific Islander Enterprise, (C) Latino Business Enterprise, (D) Native American Business Enterprise, (E) Veteran Business Enterprise, and (F) Women's Business Enterprise by County-based small business.
    - (4) Names of Companies of bidders awarded contracts for each contract.
    - (5) Final list of companies awarded contracts, for each contract, listed by subcategory of County-based minority business enterprise, (A) African American Business Enterprise...
    - (6) Names of companies of subcontractors awarded contracts by contractors, listed by subcategory of County-based minority business enterprise, (A) African American Business Enterprise...
    - (7) The Police Towing Vendor List.

Subsection 10A-158.10(d) also adds similar authority by requiring the number of service calls to contractors and subcontractors by name of companies, listed by associated subcategory of County-based minority business enterprise and by County-based small business, transmitted by the Police Dispatcher to be collected. The quarterly report will also require service calls to be collected by the number and type of service calls to each company.

Essentially, the provisions of CB-078-2023 set a firm mandate for County-based minority business (29%) and County-based small business (22%) utilization in Police Department towing contracts, in contrast to the general Countywide goal of 34% set in Section 10-136. A key item for consideration is whether there is capacity among County-based minority business enterprises and County-based small businesses to deliver service for the combined 51% required threshold annually.

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**Fiscal Impact:**

- *Direct Impact*

Enactment of CB-078-2023 may have an adverse fiscal impact on the County as smaller businesses may not be able to deliver the required services at the lowest cost to the County. There may be additional administrative costs incurred in the implementation of the new provisions, including the reporting requirement.

- *Indirect Impact*

Enactment of CB-078-2023 may have a favorable indirect fiscal impact on the County to the extent that more County-based minority and small businesses receive revenue from Police Department towing contracts, and that revenue is recycled within the County.

- *Appropriated in the Current Fiscal Year Budget*

No.

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**Effective Date of Proposed Legislation:**

The Act shall take effect forty-five (45) days after it becomes law.

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If you require additional information, or have questions about this fiscal impact statement, please reach out to me via phone or email.