

Prince George's County Council

Agenda Item Summary

Meeting Date: 7/24/2012
Reference No.: CB-023-2012
Draft No.: 1
Proposer(s): Franklin
Sponsor(s): Franklin, Campos, Davis, Harrison, Lehman, Olson, Patterson, Turner, Toles
Item Title: An Act concerning Bid and Contract Security for the purpose of amending the Code to increase the threshold for construction contracts requiring a bond and bid security to \$100,000.

Drafter: Colette R. Gresham, Legislative Officer
Resource Personnel: Brendon Laster, Legislative Aide District 9

LEGISLATIVE HISTORY:

Date Presented:	4/17/2012	Executive Action:	8/3/2012 S
Committee Referral:	4/17/2012 - PSFM	Effective Date:	9/17/2012

Committee Action: 6/14/2012 - FAV

Date Introduced: 6/19/2012
Public Hearing: 7/24/2012 - 10:00 AM

Council Action (1) 7/24/2012 - ENACTED
Council Votes: WC:A, DLD:A, MRF:A, AH:A, ML:A, EO:A, OP:A, IT:A, KT:A
Pass/Fail: P
Remarks:

AFFECTED CODE SECTIONS:

10A-133, 10A-134

COMMITTEE REPORTS:

PSFM Committee Report

Date 6/14/2012

COMMITTEE VOTE: Favorable 3-0 (Councilmembers: Campos, Davis and Lehman)

This bill will require a bid security for all construction contracts when the contract price is estimated by the County to exceed \$100,000 and may require a bid security for contracts awarded by competitive sealed bidding or proposal if the contract is \$100,000 or greater. The legislation also requires that prior to the award of any construction contract exceeding \$100,000 in amount, a performance bond and a payment bond must be filed with the County. The Committee met on May 2, 2012 to discuss the bill. The Committee requested more information from the Office of Central Services on the details of the current bid security process for construction and other sealed bid proposals including the number of contracts valued at \$25,000, \$50,000 and over \$75,000 to determine the impact of the legislation. There was a request for a more detailed fiscal impact statement to assess the impact of the legislation from a risk standpoint if the thresholds are increased and a survey of surrounding jurisdictions that impose similar thresholds.

The Committee convened on June 14, 2012 and the Office of Central Services provided information on the fiscal impact on the County, the number of MBE firms awarded construction contracts at the \$50,000 and \$100,000 threshold, and the jurisdictions that use the \$100,000 threshold. Monica Johnson, Director of Central Services, testified in support of the bill and Deputy Director Floyd Holt gave a brief overview on the impact bid security has on small businesses. Ollie Anderson from the South County Economic Development Corporation also spoke in support of the bill and the difficulties small businesses have in qualifying for the bidding process.

The Office of Law has reviewed this legislation and finds it to be in proper legislative form with no legal impediments to its enactment.

There will not be a negative fiscal impact on the County as a result of enacting CB-23-2012.

BACKGROUND INFORMATION/FISCAL IMPACT:

(Includes reason for proposal, as well as any unique statutory requirements)

The proposed legislation will require a bid security for all construction contracts when the contract price is estimated by the County to exceed \$100,000 and may require a bid security for contracts awarded by competitive sealed bidding or proposal if the contract is \$100,000 or greater. The legislation also requires that prior to the award of any construction contract exceeding \$100,000 in amount, a performance bond and a payment bond must be filed with the County.

CODE INDEX TOPICS:

INCLUSION FILES:
