



April 16, 2024

FISCAL AND POLICY NOTE

TO: Jennifer A. Jenkins
Council Administrator

Colette R. Gresham, Esq.
Deputy Council Administrator

FROM: Josh Hamlin 
Director of Budget and Policy Analysis

RE: Policy Analysis and Fiscal Impact Statement
CR-026-2024, Contract Approvals – Multiyear

CR-026-2024 (*Proposed and introduced by:* The Chair of the Council at the request of the County Executive)

Assigned to the Committee of the Whole

A RESOLUTION CONCERNING CONTRACT APPROVALS for the purpose of approving certain multiyear contracts in accordance with the Prince George's County Charter and Subtitle 10 of the Prince George's County Code.

Fiscal Summary

Direct Impact:

Expenditures: Additional expenditures of approximately \$60.4 million in Fiscal Year 2025.

Revenues: No revenue impact likely.

Indirect Impact:

Likely favorable.

Legislative Summary:

CR-026-2024, proposed by the Chair at the request of the County Executive and sponsored by Council Members Ivey, Hawkins, and Fisher, was introduced on April 9, 2024, and referred to the Committee of the Whole (COW). CR-026-2024 would approve certain multiyear contracts included in the Fiscal Year (FY) 2025 proposed operating budget.

Current Law/Background:

Under Section 819 of the Charter for Prince George's County, Maryland, the County Council must approve, by resolution, all multiyear contracts exceeding an aggregate of Five Hundred Thousand Dollars (\$500,000). Further, in accordance with Section 10-105¹ of the Prince George's County Code, the County Executive must annually submit a report listing certain multiyear personal service contracts for the coming fiscal year exceeding an aggregate of One Hundred Thousand Dollars (\$100,000) per contractor, and all other executory multiyear contracts for the coming fiscal year exceeding an aggregate of Five Hundred Thousand Dollars (\$500,000), as budgeted, for public review, comment, and approval action by the County Council.

Discussion/Policy Analysis:

The contracts subject to approval in CR-026-2024 are detailed in Attachment A to the Resolution.² Attachment A does not include any multiyear personal services contracts over \$100,000; it includes eleven (11) multiyear contracts exceeding an aggregate of five hundred thousand dollars (\$500,000). Of these, six (6) are for the Office of Information Technology (OIT), two (2) are for Non-Departmental, and one (1) each is the Office of Finance, the Office of Central Services and the Department of the Environment. The aggregate amount of the contracts in the proposed FY 2025 budget is approximately \$60,373,794. The aggregate amount of the contracts in CR-026-2024 is \$450,636,592.

Procurement Process Questions:

The following questions were posed to the Administration concerning the procurement process for the contracts.

¹ §10-105(c) provides that "For purposes of compliance with the prescriptions of Section 819 of the County Charter, at the time of the submission of the proposed budget for the ensuing fiscal year or, not later than April 1 of each fiscal year, the County Executive shall submit to the County Council a report listing all executory multiyear personal service contracts for the ensuing fiscal year exceeding an aggregate of One Hundred Thousand Dollars (\$100,000) per contractor, and all other executory multiyear contracts for the ensuing fiscal year exceeding an aggregate of Five Hundred Thousand Dollars (\$500,000) for review, public comment, and approval as part the Council budget approval process. The report shall list each contractor and total contract value of the executory multiyear contract. Any contract listed therein not approved by the Council shall be deemed disapproved."

² [CR-026-2024, Attachment A](#)

1. For each of the procurements above \$500,000 in total value – which in this case is all of them - have any waivers of the County's procurement requirements under Subtitle 10A either (i) been sought or granted or (ii) going to be sought or granted? If so, what requirements are being waived or sought to be waived?
2. Which procurements were put out (or will be put out) publicly for competitive bids or competitive solicitations and which contracts were not put out (or will not be put out) publicly for competitive bids or competitive solicitations?
3. For each of the procurements put out for competitive bids or competitive solicitations, were the business preferences set forth in Section 10A-173 applied for the procurement award selection? If not, why not?
4. For each of the procurements, is the awardee meeting or exceeding the requirement of Section 10A-161(a)(1) that the awardee includes at least fifty percent (50%) certified County-based small business participation in its winning bid or proposal (for unawarded contracts, will the awardee be required to meet this requirement)? If not, why not?
5. For each of the procurements, will there be subcontracting? If so, does the procurement comply with the Disparity Study Recommended MBE goals and MBE subgoals of Section 10A-161(c)? If not, why not?
6. For each of the procurements, are they in compliance with Section 10A-169 "First Source and Local Hiring Agreements required; local hiring requirement." If not, why not?

The Contracts:

Additional information regarding the description and scope of services under each contract, as well as whether there is a prior contract for those services, was requested from the Administration. This was supplied on the evening of April 26.

- (1) **Office of Central Services – Quality Elevator Company, Inc.**³: Services provided identified in Attachment A as “RENEWAL: Elevator maintenance services (Fairfax County Rider).” The contract term is from August 2023 through November 2024 with \$260,000 in FY 2025 and an estimated total value of 800,000.
- (2) **Office of Information Technology – Accenture**⁴: Services provided identified in Attachment A as “RENEWAL: 311 CRM System, Annual Software Renewal.” The

³ [Quality Elevator Company](#)

⁴ [Accenture](#)

contract term is from July 2024 through June 2030, with \$1,429,184 in FY 2025 and an estimated total value of \$4,287,552.

- (3) **Office of Information Technology – Various Suppliers of Telecommunications Platform Services**⁵: Services provided identified in Attachment A as “NEW: Telecommunications platform and services. The contract term is from April 2024 through January 2030, with \$5,000,000 in FY 2025 and an estimated total value of \$30,000,000.
- (4) **Office of Information Technology – Various Suppliers of Central Timekeeping and Telestaff Scheduling Services**⁶: Services provided identified in Attachment A as “RENEWAL: Workforce Central Timekeeping and Telestaff Scheduling Services. The contract term is from January 2024 through December 2027, with \$430,000 in FY 2025 and an estimated total value of \$1,290,000.
- (5) **Office of Information Technology – Added IT Hardware Suppliers**⁷: Services provided identified in Attachment A as “NEW: IT Hardware, Peripherals, Services.” The contract term is July 2024 through July 2028, with \$100,000 in FY 2025 and an estimated total value of \$500,000.
- (6) **Office of Information Technology – Added Suppliers for Audio Visual (AV) Modernization**⁸: Services provided identified in Attachment A as “NEW: Audio Visual (AV) Modernization.” The contract term is from April 2024 through March 2028, with \$200,000 in FY 2025 and an estimated total value of \$600,000.
- (7) **Office of Information Technology – Added Earth Networks**⁹: Services provided identified in Attachment A as “RENEWAL: Technical Support and maintenance of current set of 50 existing weather stations.” The contract term is from May 2025 through May 2030, with \$80,000 in FY 2025 and an estimated total value of \$500,000.
- (8) **Office of Finance – Sedgwick Claims Management Services**¹⁰: Services provided identified in Attachment A as “Third party administration services for workers’ comp, auto, third party liability, and property claims. The contract term is from October of 2022 through June of 2032, with \$4,915,810 in FY 2025 and an estimated total value of \$52,339,567.

⁵ Suppliers are identified as: Optivor Technologies, LLC, Alliance Technology Group, LLC, CenturyLink Communications, LLC, Verizon Business Network Services – Verizon Maryland, LLC, Comcast of Maryland, LLC, and Skyfine Network Engineering, LLC.

⁶ Suppliers are identified as: Kronos, LLC, Oakland Consulting Group, Inc., and NGEN, LLC.

⁷ Suppliers are identified as: Blackwood Associates, Inc. and Apple, Inc.

⁸ Supplier is identified as: System Applications Technology, Inc.

⁹ [Earth Networks](#)

¹⁰ [Sedgwick](#)

- (9) **Non-Departmental – Bank of America**¹¹: Services provided identified in Attachment A as “Equipment Lease Purchase Financing.” The contract is for an eight and a half (8 ½) year term, with zero dollars (\$0) in FY 2025 and an estimated total value of 30,793,773.

This contract is likely a routine equipment lease/purchase financing agreement similar to those approved for FY 2021 – FY 2027 in CR-025-2021¹² and CR-023-2023.¹³ The contract approved in CR-025-2021, also with Bank of America, had an aggregate value of \$28.9 million over a seven (7) year term, with \$25.0 million included in the FY 2021 budget. The contract approved in CR-23-2023 was also for a seven (7) year term, beginning on April 1, 2024, for an aggregate amount of \$29,937,784, none of which is included in the FY 2024 proposed budget.

- (10) **Non-Departmental (Fire/EMS) – Change Healthcare**¹⁴ (Fire/EMS): Services provided identified in Attachment A as “Ambulance Fee Collection Services.” This contract is for two (2) year term, with \$1,544,900 in FY 2025 and an estimated total value of \$4,634,700. *The term of this proposed contract (7/2024 – 6/2026) was included in the term of the proposed contract approved last year under CB-023-2023.*

This contract is likely for ambulance fee collection services similar to those approved for in CR-025-2021 and CR-023-2023. The CR-025-2021 contract had an aggregate value of \$3.6 million over a three (3) year term, with \$1.2 million included in the FY 2021 budget. The CR-23-2023 contract was for the same annual amount of \$1.2 million, but for a four (4) year term.

- (11) **Department of the Environment – Various Suppliers (trash haulers)**¹⁵: Services identified in Attachment A as “Refuse Collection Contracts – Curbside Trash Collection.” The contract term is from July 2024 through June 2029 plus two one-year options, with \$46,413 in FY 2025 and an estimated total value of \$324,891,000.

Fiscal Impact:

- *Direct Impact*

Adoption of CR-026-2024 will have an adverse direct fiscal impact on the County of approximately \$60,373,794 in FY 2025 and an estimated \$450,636,592 over the term of the contracts.

¹¹ [Bank of America website](#)

¹² [CR-025-2021](#)

¹³ [CR-023-2023](#)

¹⁴ [Change Healthcare website](#)

¹⁵ Suppliers identified as: Bates Trucking Company, Inc., Bowie Trucking Service, Inc., Burch Trash Service, Inc., The Can Butler, LLC, Fielding & Sons Trash Service, LLC, GCI Residential, Inc., JEDA Trucking, Inc., J&T Bowie Enterprise, Inc., TP3, LLC, Uneeda Disposal Service, Inc., and US Refuse, Inc.

- *Indirect Impact*

Adoption of CR-026-2024 should have a favorable indirect impact on the County via the provision of equipment and services that are the subjects of the respective contracts.

- *Appropriated in the Current Fiscal Year Budget*

No, but the FY 2025 proposed amounts are included in the proposed FY 2025 operating budget.

Effective Date of Proposed Legislation:

The proposed Resolution shall be effective on the date of adoption.

If you require additional information, or have questions about this fiscal impact statement, please call me.