



THE PRINCE GEORGE'S COUNTY GOVERNMENT

Office of Audits and Investigations

June 8, 2020

FISCAL AND POLICY NOTE

TO: Robert J. Williams, Jr.
Council Administrator

William M. Hunt
Deputy Council Administrator

THRU: Josh Hamlin *JRH*
Senior Legislative Budget and Policy Analyst

FROM: Inez N. Claggett *INIC*
Senior Legislative Budget and Policy Analyst

RE: Policy Analysis and Fiscal Note
CB-013-2020, Procurement Modernization

CB-013-2020 (*Proposed and presented by:* The Chair of the Council at the request of the County Executive)

Assigned to the Committee of the Whole

AN ACT CONCERNING PROCUREMENT MODERNIZATION for the purpose of amending provision of Subtitle 10A regarding administrative procedures, award of contracts, bid and contract security, sales transactions, special provisions and economic development; generally relating to procurements subject to Subtitle 10A.

Fiscal Summary

Direct Impact:

Expenditures: None. The Office of Central Services does not expect the Bill will have a fiscal impact upon the County.

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Revenues: None. The Office of Central Services does not expect the Bill will have a fiscal impact upon the County.

Indirect Impact:

Potentially positive. The Bill amends County Procurement regulations which may increase efficiency and effectiveness of operations within the Office of Central Services.

Current Law/Background:

The County's Procurement regulations are detailed within Subtitle 10A of the Prince George's County Code. These regulations have been updated and revised over the past few years through CB-115-2017 and CB-74-2016, by updating the County's procurement process and expanding opportunities for County based businesses to provide goods and services to Prince George's County. CB-013-2020 provides additional amendments to Subtitle 10A by ensuring the efficient and timely procurement of goods and services by County agencies, simplifying the procurement code for vendors, and reducing the administrative burden on employees. Through these enhancements the Purchasing Agent within the Office of Central Services will be equipped to ensure the County is procuring quality goods and services which offer the best value to County Agencies.

Discussion/Policy Analysis:

CB-013-2020 seeks to amend various provisions of Subtitle 10A of the Prince George's County Code (the "Code") to provide comprehensive update of the County's Procurement Laws. The Bill also seeks to add a new Section to Subtitle 10A to allow temporary certification to those seeking a County certification.

Amendments to Section 10A-101 updates various definitions used throughout Section 10A by removing the best value determination in the consideration of Invitations for Bid, defines the Office of Central Service's Contract Compliance Unit, allows businesses to count County resident independent contractors to assist in qualification for County certification, defines the requirement for confirming County business location.

In Section 10A-106 the Bill clarifies that a debriefing will be held after award of a contract and removes the expectation of providing a debriefing upon request.

Within Section 10A-108 provisions are added to exempt, from Divisions 2, 6, and 7 of Subtitle 10A, cooperative contract purchases and awards of contracts when the Purchasing Agent has determined that competitive solicitation procedures are not applicable to the requirements or are impracticable for the particular supplier and/or services.

Amendments to Section 10A-112 authorizes the award of a competitive sealed bid contract to the lowest responsive, responsible bidder and removes best value as the method of evaluation. The County's Purchasing Agent is provided the authority to determine the method of public notice for procurements conducted by competitive sealed bidding. Authorization is also added for multi-step procurement processes in which sealed technical and sealed price proposals are submitted separately for evaluation in competitive procurements.

Section 10A-113 is amended to require competitive sealed proposals be evaluated and awarded based upon Best Value. This allows for consideration to be given to the Proposer for various criteria such as past performance, financial stability, the ability to meet budget and schedule, key personnel qualifications, etc., and not solely to price.

The Bill under Section 10A-115 proposes to increase the threshold for small purchases subject to the County's simplified small purchase procedures from \$30,000 to \$100,000, with processes that include requirements for competition and County-based small and minority business enterprise participation. Further the Bill establishes authority for a simplified micro-purchase procurement procedure for purchases of \$10,000 or less to be set forth in County regulations with the necessary requirements for County-based small and minority business enterprise participation, but not competition.

In Section 10A-137 the Contract Compliance Unit is proposed to replace the oversight work of the Minorities Business Opportunities Commission. The Contract Compliance Unit will monitor work performed under contracts awarded and may perform periodic or random compliance audits of contracts awarded under the County's procurement laws.

Section 10A-159.01(2) is proposed to be amended to allow the Purchasing Agent's designee to also be provided authority to grant waivers for purchases of \$25,000 or less as covered under this Subsection. Per staff in the Office of Central Services this will allow for fluid processing of waivers.

Authorization is provided to the Purchasing Agent for establishment of rules and regulations for implementation and administration of temporary certification under amendments proposed to Section 10A-163.01. The temporary certification cannot exceed ninety (90) days and may be granted to a business who has submitted an application for County certification.

Resource Personnel:

Jonathan R. Butler, Director, Office of Central Services

Fiscal Impact:

Direct Impact

The Office of Central Services has reported that CB-013-2020 is not anticipated to have a direct fiscal impact on the County.

Indirect Impact

Enactment of CB-013-2020 may have a positive indirect impact to County Agencies and those doing business with the County through the refinement and clarification of procurement processes thereby reducing procurement barriers. The increased clarity and understanding may contribute to an increase in the desire to do business with the County thereby increasing procurement competition which may lead to savings to the County on the procurement of goods and services. The increase in clarity and understanding also may assist in creating efficient and effective operations within the Office of Central Services which may reduce procurement barriers and the administrative burden of County employees thereby resulting in savings through time and effort.

Appropriated in the Current Fiscal Year Budget

No.

Effective Date of Proposed Legislation

The proposed Bill shall be effective forty-five (45) calendar days after it becomes law.

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