

Department of Legislative Services
Maryland General Assembly
2019 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 521 (Delegate Queen, *et al.*)
Health and Government Operations

Procurement Preferences - Maryland Child Care Act

This bill establishes a procurement preference for bidders or offerors that have an on-site licensed child care center for use by their employees. The preference applies to any contract valued at more than \$500,000, and it may be a percentage price preference or any other provision that favors a bidder or offeror. However, the preference may not be awarded over a bidder or offeror that is a qualified small business enterprise. The Board of Public Works (BPW) may adopt regulations to implement the bill's provisions.

Fiscal Summary

State Effect: To the extent that the procurement preference results in a contract being awarded to a bidder who did not submit the lowest price bid or to an offeror who did not submit the most advantageous proposal, State procurement costs increase. Any such effect cannot be reliably quantified but is likely significant. BPW can develop regulations with existing budgeted resources. No effect on revenues.

Local Effect: None.

Small Business Effect: Meaningful.

Analysis

Current Law: Child care centers are licensed by the Division of Early Childhood Development in the Maryland State Department of Education. Subject to specified exceptions, a person may not operate a child care center without a license.

In general, State law requires that procurements using competitive sealed bids award the contract to the responsible bidder who submits a responsive bid that has the lowest bid price. Similarly, procurements using competitive sealed proposals must award the contract to the responsible offeror who submits a responsive proposal that is most advantageous to the State. However, State procurement law includes specified procurement preferences for:

- recycled paper;
- environmentally preferable products;
- mercury-free products and equipment; and
- locally grown food.

Small Business Effect: Small businesses that offer on-site child care receive a preference under State procurement, but they are not disadvantaged if they do not have on-site child care.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland State Department of Education; University System of Maryland; Department of General Services; Department of Public Safety and Correctional Services; Board of Public Works; Maryland Department of Transportation; Department of Legislative Services

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