

Department of Legislative Services
Maryland General Assembly
2021 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 157 (Senator Ellis)
Education, Health, and Environmental Affairs

**Procurement – Specialized Printing Services Contracts – Board of Public Works
Approval**

This bill designates “specialized printing services” as a service, rather than a commodity under State procurement law, and requires that any contract for specialized printing services be approved by the Board of Public Works (BPW). “Specialized printing services” are services for the printing of a ballot, as defined in State election law, or a document that contains sensitive or personally identifiable information. BPW may not delegate its authority to approve a contract for specialized printing services.

Fiscal Summary

State Effect: The Department of General Services (DGS) may require additional procurement staff if a substantial number of printing contracts is affected by the bill, as discussed below. However, DGS cannot reliably estimate the number of affected contracts, so a reliable estimate of any increase in staffing needs and related costs cannot be made. No effect on revenues.

Local Effect: None.

Small Business Effect: Potential meaningful.

Analysis

Current Law: State election law defines a “ballot” as an absentee ballot, a provisional ballot, a document ballot, or a voting machine ballot.

State procurement law assigns responsibility for controlling State procurement to BPW, but authorizes BPW to delegate its authority to State agencies. Through regulation, BPW has delegated authority to DGS for contracts valued at \$200,000 or less for:

- capital construction;
- construction-related services;
- information technology;
- services;
- architectural and engineering services;
- maintenance; and
- rental vehicles.

For these categories, any contract valued at *more than* \$200,000 must be approved by BPW.

BPW has also delegated authority to DGS for commodities contracts, but the delegated authority is not subject to any maximum threshold. Therefore, commodities contracts of any value do not require BPW approval, except for very limited exceptions.

Printing is included in the definition of “supplies” in State procurement law and is, thus, treated as a commodity rather than a service under State procurement. As a result, printing contracts are not subject to BPW oversight or approval.

State Expenditures: As noted, printing contracts are currently considered commodities and, thus, are delegated to DGS regardless of their value. Further, contracts valued at \$50,000 or less are considered small procurements under State procurement law and can be carried out by using agencies without DGS involvement. However, the bill specifies that all contracts for specialized printing services, regardless of value, must be approved by BPW. This generally means that DGS must either carry out or supervise all procurements for specialized printing services and then refer them to BPW for final approval. DGS does not know how many contracts are affected but notes that many printing contracts qualify as small procurements.

To the extent that a substantial number of printing contracts qualifies as specialized printing services and requires increased oversight and involvement by DGS, DGS may require additional staff to manage the increased workload. As the number of affected contracts cannot be known, a reliable estimate is not possible.

The bill’s requirement also likely results in delays in contract execution and completion due to the additional level of approval.

Small Business Effect: Small businesses that carry out specialized printing service contracts for the State experience delays in having contracts executed as they await BPW approval, even for small contracts.

Additional Information

Prior Introductions: None.

Designated Cross File: HB 190 (Delegate Lierman) - Health and Government Operations.

Information Source(s): Department of General Services; Board of Public Works; Department of Legislative Services

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