

Department of Legislative Services
Maryland General Assembly
2023 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 472

(Delegate Kaiser, *et al.*)

Health and Government Operations

Budget and Taxation

Transit - Commuter Bus Service - Procurement

This bill requires the Maryland Transit Administration (MTA) to use the competitive sealed proposals method of procurement when selecting a commuter bus service provider. MTA must also conduct a procurement for a commuter bus service provider in accordance with the provisions and regulations adopted under State procurement law. **The bill takes effect July 1, 2023, applies only prospectively, and has no effect on contracts granted before that date.**

Fiscal Summary

State Effect: Potential operational effect on MTA to conduct more complex procurements for commuter bus service. Any fiscal effect on State expenditures is dependent on the bill's effects on the competitiveness of procurements for commuter bus service and on the factors used by MTA as the basis for award of contracts procured using competitive sealed proposals and, therefore, cannot be reliably estimated. No effect on revenues.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: State procurement law identifies multiple procurement methods available to State procurement officials depending on the nature and circumstances of the procurement. The two most common methods are competitive sealed bids and competitive sealed proposals. In general, procurement officials have the discretion to use whichever method best suits the nature and circumstances of the procurement. However, competitive

sealed proposals is identified as the preferred (but not required) method for the procurement of human, social, cultural, or educational services and for real property leases.

The basis for award under competitive sealed bids is (1) the lowest bid price; (2) the lowest evaluated bid price; or (3) under specified circumstances, the bid most favorable to the State.

For competitive sealed proposals, procurement officials establish the factors, including price, that are the basis for the contract award and communicate those factors in the solicitation. The award must be made to the offeror whose proposal or best and final offer is determined to be the most advantageous to the State based on the identified factors. This method, therefore, allows State agencies to award contracts based on factors other than lowest price if so specified in the solicitation.

Additional Information

Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: SB 217 (Senator McCray, *et al.*) - Budget and Taxation.

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

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Analysis by: Michael C. Rubenstein

Direct Inquiries to:
(410) 946-5510
(301) 970-5510