

STATE TREASURER'S OFFICE
REPORT TO THE GOVERNOR AND GENERAL ASSEMBLY
FISCAL YEAR 2009

State Finance and Procurement § 15-111(a)

“(a) Within 90 days after the end of each fiscal year, each primary procurement [Maryland State Treasurer’s Office] unit shall submit to the Governor and to the General Assembly a report on each procurement contract that was awarded during the preceding fiscal year and:

(1) was exempt from the notice requirements of § 13-103 (c) of this article because the procurement officer reasonably expected that the procurement contract would be performed entirely outside the State and the District of Columbia;

(2) cost more than \$1000 and was awarded for the procurement of services, construction related services, architectural services, or engineering services; or

(3) was awarded on the basis of:

(i) § 13-107 (“Sole source procurement”);

(ii) § 13-108(a) (“Emergency procurement”); or

(iii) § 13-108(b) (“Expedited procurement”).

(b) Same – Contents –

(1) A report required under subsection (a) (2) or (3) of this section shall include:

(i) the name of each contractor

(ii) the type and cost of the procurement contract; and

(iii) a description of the procurement.”

(2) A report required under subsection (a) (3) of this section also shall describe the basis for the award.

The State Treasurer’s Office did not have any procurements in fiscal year 2009 that were exempt from State Finance and Procurement § 13-103(c).

The State Treasurer’s Office awarded a contract in fiscal year 2009 to Manufacturers and Traders Trust Company (M&T) on the basis of State Finance and Procurement § 13-108(a) as an Emergency in the amount of \$84,000.00 to provide custodial banking services for the College Savings Plans of Maryland (CSPN), including custody of assets, income collection, overnight cash sweep, record-keeping, daily pricing, online access and other customary custodial banking services. Upon initiating a compliance review of the CSPN banking custody services, the Treasurer’s Office determined that CSPN had not competitively procured banking custody services in 2004 and is required to competitively procure services and must follow general contract law and generally accepted banking practices. The Treasurer, who is the Chairperson of the CSPN Board, after consultation with the Office of the Attorney General, exercised her authority under SF&P Article, Section 6-229 to procure banking custody services on behalf of CSPN. The basis for selection of Manufacturers and Traders Trust Company is that they are the current custodian for CSPN since 2004, and are uniquely positioned to continue to provide these services while a new procurement is initiated.