



Committee: GO
Committee Review: Completed
Staff: Jim Ogorzalek, Legislative Attorney
Purpose: Final action – vote expected

AGENDA ITEM #7B
July 29, 2025
Action

SUBJECT

Bill 17-25, Contracts and Procurement – General Provisions – Exemptions – Internet Access Service

Lead Sponsor: Council President at the Request of the County Executive

EXPECTED ATTENDEES

N/A

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- The Government Operations & Fiscal Policy (GO) Committee recommends (3-0) the enactment of Bill 17-25, with amendments.
- The Council will hold a roll call vote on the GO Committee recommendation to enact Bill 17-25, with amendments.

DESCRIPTION/ISSUE

Bill 17-25 would exempt the acquisition of internet access service from procurement law.

SUMMARY OF KEY DISCUSSION POINTS

- The Committee adopted an amendment to require the procurements be governed by administrative procedure consistent with Section 2A-16 of the County Code.
- The Committee adopted an amendment to make the bill expedited, which requires approval of the bill by seven votes of the full Council.

This report contains:

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MEMORANDUM

July 24, 2025

TO: County Council

FROM: Jim Ogorzalek, Legislative Attorney

SUBJECT: Bill 17-25, Contracts and Procurement – General Provisions – Exemptions – Internet Access Service

PURPOSE: Action – roll call vote expected

Committee Recommendation: The Government Operations and Fiscal Policy (GO) Committee voted (3-0) to recommend the enactment of Bill 17-25, with amendments.

Bill 17-25, Contracts and Procurement – General Provisions – Exemptions – Internet Access Service, was introduced on June 17, 2025. Its Lead Sponsor is the Council President at the Request of the County Executive. A public hearing on the bill occurred on July 8, 2025, at 1:30 p.m. The Government Operations and Fiscal Policy (GO) Committee considered the bill on July 17, 2025, and recommended (3-0) the enactment of the bill, with amendments.

Bill 17-25 would exempt the acquisition of internet access service from procurement law.

Background

Chapter 11B of the Montgomery County Code dictates that every expenditure of funds by the County to acquire goods, services, or construction is a procurement and must comply with Chapters 11B of the Montgomery County Code and Code of Montgomery County Regulations. According to the County Executive, the County has been unsuccessful in procuring internet access service by competitive solicitation because internet service providers are unwilling to engage in the County's process. The County Executive informs the County Council in his transmittal letter to Bill 17-25 that the relevant potential vendors have business models based upon purchasing entities agreeing to the vendor's standard service agreements, which conflict with the County's procurement laws.

As a result, while the Department of Technology and Enterprise Business Solutions has sought to expand its services to include the sale and resale of internet access to Public, Education,

and Government entities, it has been forced to procure its internet service under a waiver by the Chief Administrative Officer.

Bill Specifics

The bill would exempt from County procurement law the obtaining of internet access service. The bill, as introduced at the request of the County Executive, would require “procedures approved by the Chief Administrative Officer” in lieu of the procurement requirements set forth in County Code and Regulation.

SUMMARY OF IMPACT STATEMENTS

Fiscal impact. According to the Office of Management and Budget, the bill “will reduce expenditures significantly due to reduced costs of procuring internet service at wholesale prices.” Specifically, OMB’s analysis provides that “[p]urchasing internet service directly from Tier 1 internet service providers is estimated to be far more cost effective than any other option available to the County . . . [and] also allows the County to resell internet service to other local governments to generate additional revenue while simultaneously reducing costs for municipalities and independent agencies receiving funding from the County.”

Racial equity and social justice. “The Office of Legislative Oversight (OLO) anticipates Bill 17-25 will have a minimal impact on racial equity and social justice (RESJ) in the County. Bill 17-25 makes the County’s current procedures for purchasing internet service permanent. This is not likely to meaningfully benefit or burden community members by race and ethnicity nor impact racial and social inequities in the County.”

Climate assessment. “The Office of Legislative Oversight (OLO) anticipates Bill 17-25 will likely have no impact on the County’s contribution to addressing climate change and climate community resilience as the Bill proposes changes to the procurement rules to simplify the acquisition of internet access services for the County Government.”

Economic impact. “The Office of Legislative Oversight (OLO) anticipates that Bill 17-25 would have an insignificant impact on economic conditions in the County in terms of the Council’s priority indicators.”

SUMMARY OF PUBLIC TESTIMONY

A public hearing was held on July 8, 2025, at 1:30 p.m. No speakers testified at the public hearing, and no written testimony was submitted by the date this report was posted.¹

SUMMARY OF THE COMMITTEE WORKSESSION

The Government Operations and Fiscal Policy (GO) Committee considered the bill on July 17, 2025, and recommended (3-0) the enactment of the bill, with amendments.

¹ Written testimony is available here:

<https://www.montgomerycountymd.gov/COUNCIL/OnDemand/testimony/20250708/index.html>.

1. Amendment to require administrative procedures

As introduced, the legislation requires the “procedures approved by the Chief Administrative Officer” govern the procurement of internet access service. Councilmember Friedson offered an amendment to require the procurements be governed by administrative procedure consistent with Section 2A-16 of the County Code, which the Committee recommended unanimously.

GO Amendment #1

Amend lines 6–8, as follows:

(11) obtaining internet access service ~~[[under procedures approved by the Chief Administrative Officer]]~~ by administrative procedure under Section 2A-16 of the Code; and

2. Amendment to expedite Bill 17-25

As introduced, the legislation would become effective ninety-one days following enactment. Due to the approaching time and dollar threshold limitations of the existing CAO waiver, Staff recommended this bill be expedited, which requires seven votes of the full Council. The Committee recommended unanimously an amendment to expedite the bill.

GO Amendment #2

Add lines 10–12, as follows:

Sec. 2. Expedited effective date. The Council declares that this legislation is necessary for the immediate protection of the public interest. This Act takes effect on the date on which it becomes law.

Next Step:² Roll call vote on whether to enact Bill 17-25.

This packet contains:

Bill 17-25

County Executive Transmittal Letter

Fiscal Impact Statement

Circle #

1

3

5

² The Council authorizes Council Legislative Attorneys to make non-substantive technical corrections necessary to fix any typographical, stylistic, formatting, or grammatical errors in Bill 17-25.

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Expedited Bill No. 17-25
Concerning: Contracts and Procurement
– General Provisions – Exemptions –
Internet Access Service
Revised: 7/17/2025 Draft No. 2
Introduced: June 17, 2025
Expires: December 7, 2026
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: _____
Ch. [#] , Laws of Mont. Co. [year]

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Council President at the request of the County Executive

AN EXPEDITED ACT to: exempt the acquisition of internet access service from procurement law

By amending

Montgomery County Code
Chapter 11B, Contracts and Procurement
Section 11B-4

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

The County Council for Montgomery County, Maryland approves the following Act:

1 **Sec. 1. Section 11B-4 is amended as follows:**

2 **Sec. 11B-4. Exemptions.**

3 (a) This Chapter, other than Article XII, does not apply to:

4 * * *

5 (10) obtaining advertising services from media sources; [and]

6 (11) obtaining internet access service ~~[[under procedures approved~~
7 by the Chief Administrative Officer]] by administrative
8 procedure under Section 2A-16 of the Code; and

9 (12) any other procurement exempted from this Chapter by another
10 law.

11 **Sec. 2. Expedited effective date.** The Council declares that this legislation
12 is necessary for the immediate protection of the public interest. This Act takes
13 effect on the date on which it becomes law.



OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

MEMORANDUM

April 23, 2025

TO: Kate Stewart, President
Montgomery County Council

FROM: Marc Elrich, County Executive

SUBJECT: Legislation for the Exemption of the Purchase of Internet Access Service from Chapter 11B, Contracts and Procurement of the Montgomery County Code

Draft legislation to exempt the purchase of internet access service from Chapter 11B, Contracts and Procurement, of the Montgomery County Code is attached for review and consideration by the County Council.

The purchase of internet access service using a competitive solicitation method has not been successful. Highly reliable internet service providers have not been willing to engage in a competitive solicitation process to provide high-quality internet service to the County. In addition, internet service providers are not willing to adhere to the County's standard terms and conditions and other requirements of a competitive solicitation process. Their business model assumes that the purchasing entity will adhere to their standard service agreement, and as a result, they are not willing to negotiate the provisions of their standard agreements to accommodate any requested changes from the County.

As a result, the Department of Technology and Enterprise Business Solutions (TEBS) has been procuring Tier 1 Internet Service under a waiver by the Chief Administrative Officer of the Direct Purchase Threshold established under Procurement Regulation 4.1.9.1. for up to \$100,000 per vendor for three (3) years. This waiver was approved on May 4, 2023, and later expanded on April 21, 2024.

As the County seeks to expand its services to include the sale/re-sale of internet access to Public, Education, and Government ("PEG") entities, as a means of offsetting the operating cost of FiberNet, the \$100,000 threshold will be reached quickly, and a more permanent resolution of the challenge is needed. Providing an exemption for the purchase of internet access service from

Chapter 11B, will enable the County to acquire internet service that is superior in quality and lower in cost. Additionally, the County will be in a position to quickly add, remove or change service providers as needs arise.

If additional information is required, please contact my office or Joseph Webster, Chief Broadband Officer, Department of Technology and Enterprise Business Solutions.

Enclosures:

Bill XX-XX Exempt the acquisition of internet access service from procurement law

Fiscal Impact Statement

Legislative Request Report

cc:

Cecily Thorne, Chief of Staff to the Council President, Montgomery County Council

Craig Howard, Executive Director, Montgomery County Council

Richard S. Madaleno, Chief Administrative Officer, Office of the County Executive

Fariba Kassiri, Deputy Chief Administrative Officer, Office of the County Executive

Tricia Swanson, Director of Strategic Partnerships, Office of the County Executive

Jennifer R. Bryant, Director, Office of Management and Budget

Gail Roper, CIO/Director, Department of Technology and Enterprise Business Solutions

Paul B. Ellis, Deputy Chief of Staff – Technology, Montgomery County Council

Fiscal Impact Statement

Office of Management and Budget

Bill xx-25	Contracts and Procurement - General Provisions - Exemptions
Bill Summary	The bill exempts purchases of internet access service from procurement regulations.
Fiscal Impact Summary	<p>This bill will reduce expenditures significantly due to reduced costs of procuring internet service at wholesale prices. Currently, it is not possible to purchase through the standard RFP or other procurement processes. This bill makes permanent the exemption that is currently being used to procure internet service for the County, slated to expire in May 2026.</p>
Fiscal Impact Analysis	<p>This bill is expected to result in lower costs for internet services due to increased competition. TEBS has a temporary procurement exemption in place through May 2026. Recent competitive bids for internet service utilizing existing procurement processes have received no viable responses and at no point has the County been able to procure internet service using the RFP process. Previously, the County purchased 10Gbps of internet service for \$11,000 per month through the County's franchise agreement. Under the current exemption and this bill, the County is able to purchase two 10Gbps connections for \$750/ month each and one 100Gbps connection for \$4,050 per month. The new service has significantly more bandwidth, better redundancy, and increased reliability. The County has been rebuffed on numerous occasions where it attempted to procure internet service through traditional procurement channels using the County's contract terms.</p> <p>While it is not possible to provide an exact figure for the cost of procuring internet service within the RFP or franchise agreement process, a rough estimate is possible based on the rates paid previously under the franchise agreement and the rates paid presently under the exemption. The County's previous internet service was nearly 15 times more expensive for a 10Gbps connection. The approximate cost to use this method to provide a similar level of service (two 10Gbps connections and one 100 Gbps connection) would cost at least \$81,400 per month and \$976,800 per year.</p> <p>Purchasing internet service directly from Tier 1 internet service providers is estimated to be far more cost effective than any other option available to the County. Additionally, procuring internet service directly at wholesale rates also allows the County to resell internet service to other local governments to generate additional revenue while simultaneously reducing costs for municipalities and independent agencies receiving funding from the County.</p>
Staff Impact	TEBS requires approximately 120 work hours to complete a RFP for technology services, eliminating the RFP requirement for internet service will create efficiencies and allow staff to focus on other duties.
Actuarial Analysis	The bill is not expected to impact retiree pension or group insurance costs.
Information Technology Impact	This bill facilitates significantly improved reliability, increased bandwidth, and decreased costs for internet service.



Other Information

Later actions that may impact revenue or expenditures if future spending is projected

Any reduced costs realized compared to current costs from future purchases of internet service will depend on market forces at the time of purchase. The County may require an increased amount of service purchased in order to expand offering internet service to other municipalities or agencies within the County. This increased service would generate increased revenue from these other municipalities and agencies.

Ranges of revenue or expenditures that are uncertain or difficult to project

It is not possible to calculate the exact cost to procure internet service through the RFP process as the County has never successfully completed an RFP for internet service. Revenue generated by providing internet and connectivity services to municipalities and independent agencies is subject to negotiation. By purchasing internet service at wholesale rates, the County is anticipating the ability to reduce costs not only for County Government but also for our partners while also generating net revenue for the County. However, the exact amount of revenue generated is difficult to quantify prior to negotiations.

Contributors

Seamus McNamara, Office of Management and Budget
Joe Webster, Technology Enterprise Business Solutions
Alison Dollar, Technology Enterprise Business Solutions
Donna Potisk, Technology Enterprise Business Solutions



LEGISLATIVE REQUEST REPORT

Bill xx-24 Contracts and Procurement – 11B-4

DESCRIPTION: This Bill would expand Section 11B-4 of the Montgomery County Code to include the purchase of internet access service as an item that is exempt from the requirements of Chapter 11B, Contracts and Procurement.

PROBLEM: The purchase of internet access service using a competitive solicitation method has not been successful. Highly reliable internet service providers have not been willing to engage in a competitive solicitation process to provide high-quality internet service to the County. In addition, internet service providers are not willing to adhere to the County's standard terms and conditions and other requirements of a competitive solicitation process. Their business model assumes that the purchasing entity will adhere to their standard service agreement, and as a result, they are not willing to negotiate the provisions of their standard agreements to accommodate any requested changes from the County. As a result, the Department of Technology and Enterprise Business Solutions (TEBS) has been procuring Tier 1 Internet Service under a waiver by the Chief Administrative Officer of the Direct Purchase Threshold established under Procurement Regulation 4.1.9.1. for up to \$100,000 per vendor for three (3) years. This waiver was approved on May 4, 2023, and later expanded on April 21, 2024. As the County seeks to expand its services to include the sale/re-sale of internet access to Public, Education, and Government ("PEG") entities, as a means of offsetting the operating cost of FiberNet, the \$100,000 threshold will be reached quickly, and a more permanent resolution of the challenge is needed.

GOALS: This Bill will establish an exemption of the purchase of internet access services from Chapter 11B, Contracts and Procurement. This would enable the County to purchase highly reliable internet access services at competitive prices in a quick and efficient manner. New services can be added quickly, unsatisfactory services can be terminated easily and the County will have access to a higher quality of service.

COORDINATION: Office of the County Attorney.

FISCAL IMPACT: The County will be able to purchase internet access service at highly competitive prices from high-quality internet service providers whose business model does not include responding to competitive solicitation or engaging in lengthy negotiations over terms and conditions.

ECONOMIC IMPACT: This could result in lower costs for purchasing internet access service while also providing access to highly reliable internet access service providers.

RACIAL EQUITY

AND SOCIAL

JUSTICE IMPACT: This would have a neutral impact on RESJ issues.

EVALUATION: To be requested.

EXPERIENCE

ELSEWHERE: To be provided.

SOURCE OF INFORMATION: Department of Technology and Enterprise Business Solutions

APPLICATION WITHIN MUNICIPALITIES: Not applicable

PENALTIES: Not applicable.

Racial Equity and Social Justice (RESJ) Impact Statement

Office of Legislative Oversight

BILL 17-25: CONTRACTS AND PROCUREMENT – GENERAL PROVISIONS – EXEMPTIONS – INTERNET ACCESS SERVICE

SUMMARY

The Office of Legislative Oversight (OLO) anticipates Bill 17-25 will have a minimal impact on racial equity and social justice (RESJ) in the County. Bill 17-25 makes the County's current procedures for purchasing internet service permanent. This is not likely to meaningfully benefit or burden community members by race and ethnicity nor impact racial and social inequities in the County.

PURPOSE OF RESJ IMPACT STATEMENTS

RESJ impact statements (RESJIS) evaluate the anticipated impact of legislation on racial equity and social justice in the County. RESJ is a **process** that focuses on centering the needs, leadership, and power of Black, Indigenous, and other People of Color (BIPOC) and communities with low incomes. RESJ is also a **goal** of eliminating racial and social inequities. Applying a RESJ lens is important to achieve RESJ.¹ This involves seeing, thinking, and working differently to address the racial and social inequities that cause racial and social disparities.²

PURPOSE OF BILL 17-25

Every County expenditure for goods, services, or construction must follow County procurement law in Chapter 11B of the County Code and the Code of Regulations.³ According to the County Executive, the County has been unsuccessful in obtaining internet service through the standard procurement process. This is because internet providers have standard service agreements that customers must agree to, which conflict with County requirements.⁴

The County currently uses a temporary procurement exemption to purchase internet service.⁵ If enacted, Bill 17-25 would permanently exempt the acquisition of internet access service from County procurement law. In particular, it would allow purchases to be made using "procedures approved by the Chief Administrative Officer."⁶ According to the Fiscal Impact Statement, the Bill is expected to "reduce expenditures significantly due to the reduced costs of procuring internet service at wholesale prices."⁷

The Council introduced Bill 17-25 on behalf of the County Executive on June 17, 2025.

ANTICIPATED RESJ IMPACTS

To consider the anticipated impact of Bill 17-25 on RESJ in the County, OLO recommends the consideration of two related questions:

- Who would primarily benefit or be burdened by this bill?
- What racial and social inequities could passage of this bill weaken or strengthen?

RESJ Impact Statement

Bill 17-25

OLO anticipates Bill 17-25 will have a minimal impact on RESJ in the County. Bill 17-25 makes the County's current procedures for purchasing internet service permanent. This is not likely to meaningfully benefit or burden community members by race and ethnicity nor impact racial and social inequities in the County.

RECOMMENDED AMENDMENTS

The Racial Equity and Social Justice Act requires OLO to consider whether recommended amendments to bills aimed at narrowing racial and social inequities are warranted in developing RESJ impact statements.⁸ OLO anticipates Bill 17-25 will have a minimal impact on RESJ in the County. As such, OLO does not offer recommended amendments.

CAVEATS

Two caveats to this racial equity and social justice impact statement should be noted. First, predicting the impact of legislation on racial equity and social justice is a challenging analytical endeavor due to data limitations, uncertainty, and other factors. Second, this RESJ impact statement is intended to inform the legislative process rather than determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the bill under consideration.

¹ Definition of racial equity and social justice adopted from [Marlysa Gamblin et al., "Applying Racial Equity to U.S. Federal Nutrition Programs," Bread for the World](#) and [Racial Equity Tools](#).

² Ibid.

³ [Introduction Staff Report for Bill 17-25, Montgomery County Council, Introduced June 17, 2025, pg. 1.](#)

⁴ Memo from County Executive to Council President, Introduction Staff Report for Bill 17-25, pg. (3).

⁵ Fiscal Impact Statement for Bill 17-25, Introduction Staff Report for Bill 17-25, pg. (5)

⁶ Introduction Staff Report for Bill 17-25, pg. 2.

⁷ Fiscal Impact Statement for Bill 17-25, Introduction Staff Report for Bill 17-25, pgs. (5)-(6).

⁸ [Bill 27-19, Administration – Human Rights – Office of Racial Equity and Social Justice – Racial Equity and Social Justice Advisory Committee – Established, Montgomery County Council.](#)

Climate Assessment

Office of Legislative Oversight

BILL 17-25: CONTRACTS AND PROCUREMENT – GENERAL PROVISIONS – EXEMPTIONS – INTERNET ACCESS SERVICE

SUMMARY

The Office of Legislative Oversight (OLO) anticipates Bill 17-25 will likely have no impact on the County's contribution to addressing climate change and climate community resilience as the Bill proposes changes to the procurement rules to simplify the acquisition of internet access services for the County Government.

BACKGROUND AND PURPOSE OF BILL 17-25

Every County expenditure for goods, services, or construction must comply with Chapter 11B of the Montgomery County Code and Code of Montgomery County Regulations.¹ According to the County Executive, the County has been unsuccessful in procuring internet service through the standard competitive solicitation process. Providers are unwilling to engage in the process because their business models are based on customers agreeing to their standard service agreements, which conflict with County requirements.²

The County currently uses a temporary procurement exemption to purchase internet service. Bill 17-25 would bypass standard procurement rules by excluding the acquisition of internet access service from County procurement law, effectively making the current exemption permanent. In particular, it would allow purchases to be made using "procedures approved by the Chief Administrative Officer."³

According to the Fiscal Impact Statement for the Bill, making the exemption permanent is expected to "reduce expenditures significantly due to the reduced costs of procuring internet service at wholesale prices."⁴

The Council introduced Bill 17-25 on behalf of the County Executive on June 17, 2025.

ANTICIPATED IMPACTS

Strong internet access is important to building community resilience. The internet can disseminate information and help residents stay informed and connected during emergencies.⁵ Broadband networks require redundancy, such as backup power supplies, additional network capacities, and overlapping delivery systems, to be resilient so that internet access can withstand and recovery quickly from disasters.⁶ If the proposed changes improve the procurement process and potentially result in cost-savings as cited in the memo from the County Executive included in the introduction packet of Bill 17-25, these savings could potentially be used for improving resiliency for County broadband networks.⁷ However, the cost-savings would have an indirect impact on the proposed changes, rather than a direct impact.

Since the Bill proposes changes to improve the procurement of internet access, it will likely not significantly impact the quality or strength of internet access services. Therefore, OLO anticipates Bill 17-25 will have no impact on the County's contribution to addressing climate change, including the reduction and/or sequestration of greenhouse gas emissions, community resilience, and adaptative capacity.

RECOMMENDED AMENDMENTS

The Climate Assessment Act requires OLO to offer recommendations, such as amendments or other measures to mitigate any anticipated negative climate impacts.⁸ OLO does not offer recommendations or amendments as Bill 17-25 is likely to have no impact on the County's contribution to addressing climate change, including the reduction and/or sequestration of greenhouse gas emissions, community resilience, and adaptative capacity.

CAVEATS

OLO notes two caveats to this climate assessment. First, predicting the impacts of legislation upon climate change is a challenging analytical endeavor due to data limitations, uncertainty, and the broad, global nature of climate change. Second, the analysis performed here is intended to inform the legislative process, not determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the bill under consideration.

PURPOSE OF CLIMATE ASSESSMENTS

The purpose of the Climate Assessments is to evaluate the anticipated impact of legislation on the County's contribution to addressing climate change. These climate assessments will provide the Council with a more thorough understanding of the potential climate impacts and implications of proposed legislation, at the County level. The scope of the Climate Assessments is limited to the County's contribution to addressing climate change, specifically upon the County's contribution to greenhouse gas emissions and how actions suggested by legislation could help improve the County's adaptive capacity to climate change, and therefore, increase community resilience.

While co-benefits such as health and cost savings may be discussed, the focus is on how proposed County bills may impact GHG emissions and community resilience.

CONTRIBUTIONS

OLO staffer Kaitlyn Simmons drafted this assessment.

¹ See memo from Jim Ogorzalek, Legislative Attorney, in [Introduction Staff Report for Bill 17-25, Contracts and Procurement – General Provisions – Exemptions – Internet Access Service](#), Montgomery County Council, June 17, 2025.

² See memo from Marc Elrich, County Executive, in *Introduction Staff Report for Bill 17-25*.

³ Montgomery County Council, *Bill 17-25, Contracts and Procurement – General Provisions – Exemptions – Internet Access Service*, in *Introduction Staff Report for Bill 17-25*, June 17, 2025.

⁴ *Fiscal Impact Statement for Bill 17-25*, in *Introduction Staff Report for Bill 17-25*, Montgomery County Council, June 17, 2025.

⁵ Global Resilience Institute at Northeastern University, ["US "digital divide": how internet access disparities affect resilience"](#), Accessed 6/25/2025.

⁶ The Pew Charitable Trusts, ["Climate Resilience Memo to State Broadband Offices from Pew Charitable Trusts"](#) July 21, 2023.

⁷ See memo from Marc Elrich, County Executive, in *Introduction Staff Report for Bill 17-25*.

⁸ Bill 3-22, Legislative Branch – Climate Assessments – Required, Montgomery County Council, Effective date October 24, 2022

Economic Impact Statement

Montgomery County, Maryland

Bill 17-25 Contracts and Procurement – General Provisions – Exemptions – Internet Access Service

SUMMARY

The Office of Legislative Oversight (OLO) anticipates that Bill 17-25 would have an insignificant impact on economic conditions in the County in terms of the Council's priority indicators.

BACKGROUND AND PURPOSE OF BILL 17-25

Every County expenditure for goods, services, or construction must comply with Chapter 11B of the Montgomery County Code and Code of Montgomery County Regulations.¹ According to the County Executive, the County has been unsuccessful in procuring internet service through the standard competitive solicitation process. Providers are unwilling to engage in the process because their business models are based on customers agreeing to their standard service agreements, which conflict with County requirements.²

The County currently uses a temporary procurement exemption to purchase internet service. Bill 17-25 would bypass standard procurement rules by excluding the acquisition of internet access service from County procurement law, effectively making the current exemption permanent. In particular, it would allow purchases to be made using "procedures approved by the Chief Administrative Officer."³

According to the Fiscal Impact Statement for the Bill, making the exemption permanent is expected to "reduce expenditures significantly due to the reduced costs of procuring internet service at wholesale prices."⁴

The Council introduced Bill 17-25 on behalf of the County Executive on June 17, 2025.

INFORMATION SOURCES, METHODOLOGIES, AND ASSUMPTIONS

As required by 2-81B of the Montgomery County Code, this Economic Impact Statement evaluates the impacts of Bill 17-25 on residents and private organizations in relation to Council's priority economic indicators. In doing so, it examines whether the Bill would have a net positive or negative impact on overall economic conditions in the County.⁵

¹ See memo from Jim Ogorzalek, Legislative Attorney, in [Introduction Staff Report for Bill 17-25, Contracts and Procurement – General Provisions – Exemptions – Internet Access Service](#), Montgomery County Council, June 17, 2025.

² See memo from Marc Elrich, County Executive, in [Introduction Staff Report for Bill 17-25](#).

³ Montgomery County Council, [Bill 17-25, Contracts and Procurement – General Provisions – Exemptions – Internet Access Service](#), in [Introduction Staff Report for Bill 17-25](#), June 17, 2025.

⁴ [Fiscal Impact Statement for Bill 17-25](#), in [Introduction Staff Report for Bill 17-25](#), Montgomery County Council, June 17, 2025.

⁵ Montgomery County Code, ["Sec. 2-81B, Economic Impact Statements."](#)

OLO believes it is unlikely that exempting the acquisition of internet access service from the procurement law would increase the likelihood of the County contracting with a provider based in the County—or with a provider employing a larger share of County-based workers. For this reason, the Bill is expected to have an insignificant impact on private organizations, residents, and overall economic conditions in the County in terms of the indicators prioritized by the Council.

VARIABLES

Not applicable

IMPACTS

WORKFORCE ▪ TAXATION POLICY ▪ PROPERTY VALUES ▪ INCOMES ▪ OPERATING COSTS ▪ PRIVATE SECTOR CAPITAL INVESTMENT ▪ ECONOMIC DEVELOPMENT ▪ COMPETITIVENESS

Not applicable

DISCUSSION ITEMS

Not applicable

CAVEATS

Two caveats to the economic impact analysis performed here should be noted. First, predicting the economic impacts of legislation is a challenging analytical endeavor due to data limitations, the multitude of causes of economic outcomes, economic shocks, uncertainty, and other factors. Second, the analysis performed here is intended to *inform* the legislative process, not determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the Bill under consideration.

CONTRIBUTIONS

Stephen Roblin (OLO) prepared this report.