

SENATE BILL 245

P2

(8lr0651)

ENROLLED BILL

— *Education, Health, and Environmental Affairs/Health and Government
Operations* —

Introduced by **Senators Robinson and Smith**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
_____ day of _____ at _____ o'clock, _____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 **Procurement – Security Requirements – Forms**

3 FOR the purpose of requiring the Board of Public Works to adopt regulations to establish
4 certain forms for procurement officers to use to require security for ~~construction~~
5 ~~contracts and contracts for certain supplies and services; requiring that a certain~~
6 ~~form provide for annual and renewable~~ *certain fixed-price and multiyear* contracts;
7 and generally relating to security requirements and procurement.

8 BY repealing and reenacting, with amendments,
9 Article – State Finance and Procurement
10 Section 13–216
11 Annotated Code of Maryland
12 (2015 Replacement Volume and 2017 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber/conference committee amendments.



SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That the Laws of Maryland read as follows:

Article – State Finance and Procurement

13–216.

(a) Except as provided in subsection (b) of this section, a procurement officer may not require a contractor to provide a performance bond, payment bond, or other security on a procurement contract for construction, construction related services, services, or supplies if the price of the procurement contract is \$100,000 or less.

(b) A procurement officer shall require a contractor to provide a performance bond, payment bond, or other security if federal law or a condition of federal assistance requires the security.

(c) If the price of a procurement contract for construction exceeds \$100,000, a procurement officer shall require a contractor to provide security as required under Title 17, Subtitle 1 of this article.

(d) A procurement officer may require a contractor to provide a performance bond or other security on a procurement contract for supplies, services, or construction related services if:

(1) circumstances warrant security; and

(2) the price of the procurement contract exceeds \$100,000.

(E) (1) THE BOARD SHALL ADOPT REGULATIONS TO ESTABLISH SEPARATE SURETY BOND FORMS FOR PROCUREMENT OFFICERS TO USE TO REQUIRE SECURITY FOR ~~CONSTRUCTION CONTRACTS AND CONTRACTS FOR SUPPLIES, SERVICES, OR CONSTRUCTION RELATED SERVICES.~~

(I) FIXED-PRICE CONTRACTS; AND

(II) MULTIYEAR CONTRACTS.

(2) THE FORM FOR MULTIYEAR CONTRACTS ~~FOR SUPPLIES, SERVICES, OR CONSTRUCTION RELATED SERVICES~~ SHALL PROVIDE FOR ANNUAL AND RENEWABLE CONTRACTS.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.