

**HB0500/773329/1**

BY: Health and Government Operations Committee

AMENDMENTS TO HOUSE BILL 500

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, strike “**and Wu**” and substitute “**Wu, Alston, Bagnall, Cullison, Guzzone, Hill, S. Johnson, Kaiser, Lopez, Martinez, Pena–Melnyk, Rosenberg, and Ross**”; strike beginning with “authorize” in line 18 down through “to” in line 19; and strike beginning with “requiring” in line 20 down through “contract;” in line 21.

On page 2, in line 3, after “Board” insert “of Public Works”; in line 8, after “Officer” insert “, subject to certain approval,”; in line 18, strike “preference” and substitute “evaluation factor”; strike beginning with “certified” in line 18 down through “group” in line 19 and substitute “; requiring the Procurement Advisor to the Board to conduct a certain study relating to instituting an in–State preference”; and after line 40, insert:

“BY repealing and reenacting, with amendments,

Article – Natural Resources

Section 3–103(g)(3)(ii)7.

Annotated Code of Maryland

(2023 Replacement Volume and 2024 Supplement)”.

On page 3, in line 2, after “(b),” insert “14–303(b)(17) through (22),”; in line 13, strike “, (13), and (18) through (22)” and substitute “and (13)”; in line 14, after “14–504(c),” insert “14–601,”; in line 24, strike “Preference” and substitute “Evaluation Factor”; in line 29, after “13–102(a)(11),” insert “and”; in lines 29 and 30, strike “, and 14–303(b)(17)”; and strike in their entirety lines 33 through 42, inclusive, and substitute:

“BY repealing and reenacting, without amendments,

**HB0500/773329/01 Health and Government Operations Committee  
Amendments to HB 500  
Page 2 of 10**

Article – State Personnel and Pensions  
Section 13–401(a)  
Annotated Code of Maryland  
(2024 Replacement Volume and 2024 Supplement)

BY repealing and reenacting, with amendments,

Article – State Personnel and Pensions  
Section 13–401(c)  
Annotated Code of Maryland  
(2024 Replacement Volume and 2024 Supplement)”.

AMENDMENT NO. 2

On page 4, after line 13, insert:

**“Article – Natural Resources**

3–103.

(g) (3) (ii) The Service may procure materials, equipment, services, or supplies by utilizing:

7. Pay-for-success contracting under [§ 13–112.1] § 13–228 of the State Finance and Procurement Article.”;

in line 26, strike “AND SOFTWARE”; in the same line, strike “and”; and in the same line, after “materials” insert “, AND INTANGIBLE PROPERTY, INCLUDING INFORMATION TECHNOLOGY SOFTWARE”.

On page 8, in line 26, strike “ANY UNIT OR AN” and substitute “ALL UNITS OR ANY”.

**HB0500/773329/01 Health and Government Operations Committee  
Amendments to HB 500  
Page 3 of 10**

On page 10, in line 18, after “ACTIVITIES,” insert “INCLUDING INFORMATION TECHNOLOGY SUPPLIES THAT ARE SUBJECT TO TITLE 3.5 OF THIS ARTICLE,”; and in line 23, after “ACTIVITIES,” insert “INCLUDING INFORMATION TECHNOLOGY SERVICES THAT ARE SUBJECT TO TITLE 3.5 OF THIS ARTICLE,”.

On page 12, in line 22, strike “THE” and substitute “SUBJECT TO APPROVAL BY THE BOARD, THE”.

On page 14, in lines 30 and 33, in each instance, strike the brackets; strike beginning with “CHIEF” in line 30 down through “DESIGNEE” in line 31; and strike beginning with the first “HEAD” in line 33 down through “DESIGNEE” in line 35.

On page 15, strike beginning with “TO” in line 6 down through “PROCUREMENT” in line 7; and strike in their entirety lines 8 through 10, inclusive.

On page 19, in line 30, after the first “contractors” insert “ON A ROTATING BASIS FOR MASTER CONTRACTS DESIGNATED BY THE CHIEF PROCUREMENT OFFICER”.

On page 20, in line 4, after the first “CONTRACTORS” insert “ON A ROTATING BASIS FOR MASTER CONTRACTS DESIGNATED BY THE CHIEF PROCUREMENT OFFICER”.

AMENDMENT NO. 3

On page 30, strike in their entirety lines 5 through 11, inclusive, and substitute:

**“(8) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, A UNIT MAY CONSIDER MODIFYING THE MINORITY BUSINESS PARTICIPATION GOAL ON A PROCUREMENT CONTRACT:**

**1. AT ANY TIME PRIOR TO CONTRACT EXECUTION; OR**

(Over)

2. AFTER CONTRACT EXECUTION, WHEN DETERMINED TO BE IN THE BEST INTEREST OF THE STATE.

(II) BEFORE A UNIT MAY CONSIDER MODIFYING A MINORITY BUSINESS PARTICIPATION GOAL UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE UNIT SHALL:

1. MAKE A DETERMINATION THAT THERE HAS BEEN A CHANGE IN THE FACTORS ESTABLISHED UNDER PARAGRAPH (3) OF THIS SUBSECTION;

2. USE THE FACTORS ESTABLISHED UNDER PARAGRAPH (3) OF THIS SUBSECTION TO DETERMINE THE PERCENTAGE MODIFICATION TO THE MINORITY BUSINESS PARTICIPATION GOAL; AND

3. OBTAIN THE AGREEMENT OF THE CONTRACTOR, INCLUDING ANY REASONABLE PRICING CONSIDERATIONS.”.

On page 33, in line 10, strike “ADD TO OR INCREASE” and substitute “MODIFY”.

On page 35, in lines 4 and 6, in each instance, strike the bracket; in lines 7, 9, 11, 14, and 18, in each instance, strike the brackets; and in lines 7, 9, 11, 14, and 18, strike “(17)”, “(18)”, “(19)”, “(20)”, and “(21)”, respectively.

On page 36, after line 23, insert:

“14-601.

(a) In this subtitle the following words have the meanings indicated.

**HB0500/773329/01 Health and Government Operations Committee  
Amendments to HB 500  
Page 5 of 10**

(b) “Veteran” [means an individual who is verified as having served on active duty in the armed forces of the United States, other than for training, and was discharged or released under conditions other than dishonorable] HAS THE MEANING STATED IN § 9-901 OF THE STATE GOVERNMENT ARTICLE.

(c) “Veteran-owned small business enterprise” means a for-profit business that:

(1) meets the size standards adopted by the United States Small Business Administration in 13 C.F.R. 121.201 and any subsequent revision of that regulation; and

(2) is at least 51% owned by one or more individuals who:

(i) are veterans; and

(ii) control the management and daily operations of the business.”.

On page 37, strike in their entirety lines 25 through 32, inclusive, and substitute:

**“(2) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, A UNIT MAY CONSIDER MODIFYING THE VETERAN-OWNED SMALL BUSINESS PARTICIPATION GOAL ON A PROCUREMENT CONTRACT:**

**1. AT ANY TIME PRIOR TO CONTRACT EXECUTION; OR**

**2. AFTER CONTRACT EXECUTION, WHEN DETERMINED TO BE IN THE BEST INTEREST OF THE STATE.**

(Over)

**(II) BEFORE A UNIT MAY CONSIDER MODIFYING A VETERAN-OWNED SMALL BUSINESS PARTICIPATION GOAL UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE UNIT SHALL:**

**1. MAKE A DETERMINATION THAT THERE HAS BEEN A CHANGE IN THE FACTORS ESTABLISHED UNDER SUBSECTION (B) OF THIS SECTION;**

**2. USE THE FACTORS ESTABLISHED UNDER SUBSECTION (B) OF THIS SECTION TO DETERMINE THE PERCENTAGE MODIFICATION TO THE VETERAN-OWNED SMALL BUSINESS PARTICIPATION GOAL; AND**

**3. OBTAIN THE AGREEMENT OF THE CONTRACTOR, INCLUDING ANY REASONABLE PRICING CONSIDERATIONS.”.**

On page 38, in line 5, strike “ADD TO OR INCREASE” and substitute “**MODIFY THE**”.

On page 39, in line 20, after “**SECRETARY**” insert “**AND, FOR CONTRACTS SUBJECT TO TITLE 3.5 OF THIS ARTICLE, THE SECRETARY OF INFORMATION TECHNOLOGY**”.

On page 40, in line 11, after “**SECRETARY**” insert “**AND, FOR CONTRACTS SUBJECT TO TITLE 3.5 OF THIS ARTICLE, THE SECRETARY OF INFORMATION TECHNOLOGY**”; and in line 15, after “**SUBTITLE**” insert “**, INCLUDING WAIVER PROCESSES**”.

**HB0500/773329/01 Health and Government Operations Committee  
Amendments to HB 500  
Page 7 of 10**

On page 42, in line 1, strike “**PREFERENCE**” and substitute “**EVALUATION FACTOR**”; strike in their entirety lines 7 through 12, inclusive, and substitute:

**“(C) “GOOD LABOR PRACTICES EVALUATION FACTOR” MEANS A FACTOR FOR GOOD LABOR PRACTICES THAT WILL BE USED TO EVALUATE TECHNICAL PROPOSALS RECEIVED FOR PROCUREMENTS BEING CONDUCTED THROUGH THE COMPETITIVE SEALED PROPOSALS PROCUREMENT METHOD UNDER § 13-104 OF THIS ARTICLE.”;**

in lines 13 and 15, strike “**(E)**” and “**(F)**”, respectively, and substitute “**(D)**” and “**(E)**”, respectively; in line 22, strike “**OBTAIN INITIAL CERTIFICATION AS A**” and substitute “**QUALIFY FOR APPLICATION OF THE**”; in line 23, strike “**CERTIFIED BUSINESS**” and substitute “**EVALUATION FACTOR**”; in the same line, after “**ATTEST**” insert “**BY AFFIDAVIT**”; in line 26, strike “**PERSONS**” and substitute “**WORKERS**”; and in line 27, strike “**WORK**” and substitute “**TASKS ON BEHALF OF THE BUSINESS, EXCEPT FOR A PERSON EXEMPT UNDER TITLE 3, SUBTITLE 9 OF THE LABOR AND EMPLOYMENT ARTICLE,**”.

On page 43, in line 1, strike “**PERSONS**” and substitute “**WORKERS**”; and strike beginning with the first “**TITLE**” in line 24 down through “**OR**” in line 25.

On page 44, strike in their entirety lines 3 through 10, inclusive, and substitute:

**“(B) A PROCUREMENT OFFICER WHO RECEIVES A PROPOSAL FOR A COMPETITIVE SEALED PROPOSAL PROCUREMENT THAT IS SUBMITTED WITH THE AFFIDAVIT DESCRIBED UNDER SUBSECTION (A) OF THIS SECTION SHALL EVALUATE THE PROPOSAL WITH THE GOOD LABOR PRACTICES EVALUATION FACTOR.”;**

(Over)

**HB0500/773329/01 Health and Government Operations Committee  
Amendments to HB 500  
Page 8 of 10**

in lines 11, 14, and 16, strike “**(3)**”, “**(II)**”, and “**(III)**”, respectively, and substitute “**(C)**”, “**(2)**”, and “**(3)**”, respectively; strike in their entirety lines 12 and 13 and substitute:

**“(1) MAINTAIN A LIST FOR THE PRECEDING 12 MONTHS OF ALL BUSINESSES THAT HAVE SUBMITTED THE AFFIDAVIT DESCRIBED UNDER SUBSECTION (A) OF THIS SECTION, CONFIRMING ADHERENCE TO GOOD LABOR PRACTICES;”;**

in lines 14 and 16, in each instance, strike “**(I) OF THIS PARAGRAPH**” and substitute “**(1) OF THIS SUBSECTION**”; in line 15, strike “**3**” and substitute “**6**”; and strike in their entirety lines 18 through 30, inclusive, and substitute:

**“(D) IF THE COMMISSIONER DETERMINES THAT A BUSINESS IS NOT FOLLOWING GOOD LABOR PRACTICES, AS DESCRIBED IN SUBSECTION (A) OF THIS SECTION;**

**(1) THE COMMISSIONER SHALL REMOVE THE BUSINESS FROM THE LIST MAINTAINED UNDER SUBSECTION (C)(1) OF THIS SECTION; AND**

**(2) THE BUSINESS MAY NOT BE ELIGIBLE FOR THE GOOD LABOR PRACTICES EVALUATION FACTOR FOR 12 MONTHS FOLLOWING THE DETERMINATION MADE UNDER THIS SUBSECTION.”.**

On page 45, strike in their entirety lines 5 through 17, inclusive, and substitute:

**“(A) A GOOD LABOR PRACTICES EVALUATION FACTOR FOR GOOD LABOR PRACTICES DESCRIBED IN § 14-903(A) OF THIS SUBTITLE SHALL BE INCLUDED IN THE TECHNICAL EVALUATION FACTORS FOR COMPETITIVE SEALED PROPOSALS FOR A PROPOSAL SUBMITTED FOR A CONTRACT DESCRIBED IN § 14-902 OF THIS SUBTITLE.**



**(B) THE GOOD LABOR PRACTICES EVALUATION FACTOR SHALL BE:**

**(1) IF A POINT SYSTEM IS USED FOR EVALUATION OF PROPOSALS, 10% OF THE TOTAL ALLOCABLE TECHNICAL POINTS; OR**

**(2) IF A POINT SYSTEM IS NOT USED FOR EVALUATION OF PROPOSALS, RANKED IN ITS RELATIVE ORDER OF IMPORTANCE.**”;

and strike in their entirety lines 21 and 22 and substitute “**TO QUALIFY FOR A GOOD LABOR PRACTICES EVALUATION FACTOR.**”.

**AMENDMENT NO. 5**

On page 46, in line 5, before “It” insert “**(A)**”; and after line 13, insert:

**“(B) INTEREST SHALL ACCRUE IN ACCORDANCE WITH § 15-104 OF THIS SUBTITLE.”**.

On page 47, in line 23, strike “\$1,000,000” and substitute “**\$200,000**”.

On page 50, strike in their entirety lines 11 through 32, inclusive, and substitute:

**“Article – State Personnel and Pensions**

**13-401.**

**(a) In this subtitle the following words have the meanings indicated.**

**(c) (1) [“Services”] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, “SERVICES” has the meaning stated in § 11-101 of the State Finance and Procurement Article.**

(Over)

**(2) “SERVICES” DOES NOT INCLUDE INFORMATION TECHNOLOGY SERVICES AND CYBERSECURITY.**

SECTION 2. AND BE IT FURTHER ENACTED, That, on or before December 1, 2025, the Procurement Advisor to the Board of Public Works shall conduct a study of the economic impacts of instituting an in-State preference for Maryland vendors for all State procurements and submit a report of its findings and recommendations to the Board of Public Works and, in accordance with § 2-1257 of the State Government Article, the General Assembly.”.

On page 51, in lines 1 and 7, strike “2.” and “3.”, respectively, and substitute “3.” and “4.”, respectively.