

HOUSE BILL 1499

P2

5lr3591
CF SB 403

By: ~~Delegate S. Johnson~~ Delegates S. Johnson, Alston, Bagnall, Bhandari, Chisholm, Cullison, Guzzone, Hill, Hutchinson, Kaiser, Kerr, Kipke, Lopez, Martinez, M. Morgan, Pena-Melnyk, Reilly, Rosenberg, Ross, Szeliga, Taveras, White Holland, Woods, and Woorman

Introduced and read first time: February 13, 2025

Assigned to: Rules and Executive Nominations

Re-referred to: Health and Government Operations, February 25, 2025

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 6, 2025

CHAPTER _____

1 AN ACT concerning

2 **State Procurement – Construction and Services – Contract Modification**

3 FOR the purpose of requiring a certain procurement contract for construction or security
4 services to include a clause requiring contract modification for increased costs for
5 compensation and benefits under certain circumstances; requiring a certain contract
6 that is modified to be contingent on approval by the Board of Public Works; and
7 generally relating to procurement contracts for construction and services.

8 BY repealing and reenacting, with amendments,

9 Article – State Finance and Procurement

10 Section 13–218(b)

11 Annotated Code of Maryland

12 (2021 Replacement Volume and 2024 Supplement)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

14 That the Laws of Maryland read as follows:

15 **Article – State Finance and Procurement**

16 13–218.

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.



1 (b) (1) In addition to the clauses required under subsection (a) of this section,
2 a procurement contract for construction shall include:

3 [(1)] (I) a clause providing for contract modification if the condition of a
4 site differs from the condition described in the specifications; [and]

5 [(2)] (II) a clause covering the requirements for notice of contract claims,
6 submission of contract claims, and resolution of contract claims under § 15–219 of this
7 article; AND

8 (III) IF THE CONTRACT IS FOR 3 YEARS OR MORE IN DURATION
9 AND IS VALUED AT GREATER THAN \$1,000,000, A CLAUSE REQUIRING CONTRACT
10 MODIFICATION FOR THE EQUITABLE ADJUSTMENT OF THE CONTRACT FOR
11 INCREASED COSTS FOR COMPENSATION AND BENEFITS AS A RESULT OF:

12 1. STATUTORY CHANGES INCREASING REQUIRED
13 COMPENSATION OR BENEFITS; OR

14 2. COLLECTIVE BARGAINING.

15 (2) IN ADDITION TO THE CLAUSES REQUIRED UNDER SUBSECTION (A)
16 OF THIS SECTION, A PROCUREMENT CONTRACT FOR SECURITY SERVICES THAT IS
17 FOR 3 YEARS OR MORE IN DURATION AND IS VALUED AT GREATER THAN \$1,000,000
18 SHALL INCLUDE A CLAUSE REQUIRING CONTRACT MODIFICATION FOR THE
19 EQUITABLE ADJUSTMENT OF THE CONTRACT FOR INCREASED COSTS FOR
20 COMPENSATION AND BENEFITS AS A RESULT OF:

21 (I) STATUTORY CHANGES INCREASING REQUIRED
22 COMPENSATION OR BENEFITS; OR

23 (II) COLLECTIVE BARGAINING.

24 (3) A CONTRACT THAT IS MODIFIED IN ACCORDANCE WITH
25 PARAGRAPH (1)(III) OR (2) OF THIS SUBSECTION IS CONTINGENT ON APPROVAL BY
26 THE BOARD.

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
28 October 1, ~~2025~~ 2026.