

Larry Hogan
Governor

Boyd K. Rutherford
Lt Governor



Ellington E. Churchill, Jr.
Secretary

Nelson E. Reichart
Deputy Secretary

OFFICE OF THE SECRETARY

BILL: Senate Bill 161 – Department of General Services – Courts - Prohibited Indemnity & Defense Liability Agreements

COMMITTEE: Senate Judicial Proceedings

DATE: January 26, 2022

POSITION: Letter of Information

Upon review of Senate Bill 161 – Courts – Prohibited Indemnity and Defense Liability Agreements, the Department of General Services (DGS) provides these comments for your consideration.

DGS is a control agency responsible for Design Professional procurements. Indemnification is already required in purchase orders over \$25,000. Indemnity is a negotiated provision that the State has available to it, and which is a legal and equitable remedy that, when negotiated, will alleviate the State from having to pay out claims or damages that were not inured to the State (not the State's fault) but the fault of the consultant/contractor/other party. DGS' current A/E contracts do not have an indemnification clause except for instances involving patents, copyright and records.

For additional information, contact Ellen Robertson at 410-260-2908.

