

Chapter 712

(Senate Bill 245)

AN ACT concerning

Procurement – Security Requirements – Forms

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

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

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 SURETYBOND 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.

Approved by the Governor, May 15, 2018.