

HOUSE BILL 984

P2

4lr3233
CF 4lr0945

By: **Delegates Guzzone, Hutchinson, J. Long, Martinez, and Woods**

Introduced and read first time: February 5, 2024

Assigned to: Health and Government Operations and Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **State Procurement – Apprenticeship Preference Program**

3 FOR the purpose of establishing an apprenticeship preference program in State
4 procurement; establishing a certain price preference for bids and proposals that will
5 utilize registered apprentices in the performance of certain contracts; requiring
6 contractors and certain subcontractors to provide certain information to a unit
7 regarding the use of registered apprentices as a condition of receiving a certain
8 contract; providing for the liability of a contractor or subcontractor for a certain
9 amount under certain circumstances; and generally relating to the use of apprentices
10 in State procurement.

11 BY adding to

12 Article – State Finance and Procurement

13 Section 14–801 through 14–806 to be under the new subtitle “Subtitle 8.
14 Apprenticeship Preference Program”

15 Annotated Code of Maryland

16 (2021 Replacement Volume and 2023 Supplement)

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

19 **Article – State Finance and Procurement**

20 **SUBTITLE 8. APPRENTICESHIP PREFERENCE PROGRAM.**

21 **14–801.**

22 **(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS**
23 **INDICATED.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(B) “APPRENTICE BIDDER” MEANS A RESPONSIBLE BIDDER WHO WILL**
2 **UTILIZE APPRENTICES FROM A REGISTERED APPRENTICESHIP PROGRAM IN WHICH**
3 **THE CONTRACTOR OR SUBCONTRACTOR EMPLOYS PERSONS TO COMPLETE THE**
4 **COVERED CONTRACT.**

5 **(C) “APPRENTICE OFFEROR” MEANS A RESPONSIBLE OFFEROR WHO WILL**
6 **UTILIZE APPRENTICES FROM A REGISTERED APPRENTICESHIP PROGRAM IN WHICH**
7 **THE CONTRACTOR OR SUBCONTRACTOR EMPLOYS PERSONS TO COMPLETE THE**
8 **COVERED CONTRACT.**

9 **(D) “COVERED PROCUREMENT” MEANS A PROCUREMENT THAT IS VALUED**
10 **AT \$500,000 OR MORE.**

11 **(E) “DEPARTMENT” MEANS THE MARYLAND DEPARTMENT OF LABOR.**

12 **(F) “NONAPPRENTICE BIDDER” MEANS A RESPONSIBLE BIDDER WHO WILL**
13 **NOT UTILIZE APPRENTICES FROM A REGISTERED APPRENTICESHIP PROGRAM IN**
14 **WHICH THE CONTRACTOR OR SUBCONTRACTOR EMPLOYS PERSONS TO COMPLETE**
15 **THE COVERED CONTRACT.**

16 **(G) “NONAPPRENTICE OFFEROR” MEANS A RESPONSIBLE OFFEROR WHO**
17 **WILL NOT UTILIZE APPRENTICES FROM A REGISTERED APPRENTICESHIP PROGRAM**
18 **IN WHICH THE CONTRACTOR OR SUBCONTRACTOR EMPLOYS PERSONS TO**
19 **COMPLETE THE COVERED CONTRACT.**

20 **(H) “PERCENTAGE PREFERENCE” MEANS:**

21 **(1) THE PERCENT OF THE LOWEST RESPONSIVE BID SUBMITTED BY**
22 **AN APPRENTICE BIDDER BY WHICH A RESPONSIVE BID SUBMITTED BY A**
23 **NONAPPRENTICE BIDDER MAY:**

24 **(I) EXCEED THE LOWEST BID; AND**

25 **(II) BE AWARDED A COVERED PROCUREMENT CONTRACT IN**
26 **ACCORDANCE WITH THIS SUBTITLE; OR**

27 **(2) THE PERCENT OF THE LOWEST RESPONSIVE COST PROPOSAL**
28 **SUBMITTED BY AN APPRENTICE OFFEROR BY WHICH A RESPONSIVE PROPOSAL**
29 **SUBMITTED BY A NONAPPRENTICE OFFEROR MAY:**

30 **(I) EXCEED THE LOWEST COST; AND**

31 **(II) BE AWARDED A COVERED PROCUREMENT CONTRACT IN**

1 ACCORDANCE WITH THIS SUBTITLE.

2 (I) "REGISTERED APPRENTICESHIP PROGRAM" MEANS AN
3 APPRENTICESHIP PROGRAM THAT IS REGISTERED WITH, AND APPROVED BY, THE
4 DEPARTMENT OR THE U.S. DEPARTMENT OF LABOR.

5 (J) "SECRETARY" MEANS THE SECRETARY OF LABOR.

6 14-802.

7 THIS SUBTITLE APPLIES TO A COVERED PROCUREMENT OF A UNIT.

8 14-803.

9 SUBJECT TO THE APPROVAL OF THE BOARD, EACH UNIT SHALL ESTABLISH A
10 PERCENTAGE PREFERENCE, NOT TO EXCEED 5%.

11 14-804.

12 (A) A UNIT SHALL AWARD A COVERED PROCUREMENT CONTRACT TO AN
13 APPRENTICE BIDDER THAT SUBMITS THE LOWEST RESPONSIVE BID IF THE
14 DIFFERENCE BETWEEN THAT BID AND THE LOWEST RESPONSIVE BID SUBMITTED BY
15 A NONAPPRENTICE BIDDER DOES NOT EXCEED THE PERCENTAGE PREFERENCE
16 ESTABLISHED UNDER § 14-803 OF THIS SUBTITLE.

17 (B) A UNIT SHALL AWARD A COVERED PROCUREMENT CONTRACT TO AN
18 APPRENTICE OFFEROR THAT SUBMITS THE RESPONSIVE PROPOSAL THAT IS MOST
19 ADVANTAGEOUS TO THE STATE AFTER FACTORING IN THE PRICE PREFERENCE, IF
20 THE DIFFERENCE BETWEEN THAT PROPOSAL AND THE LOWEST RESPONSIVE
21 PROPOSAL SUBMITTED BY A NONAPPRENTICE OFFEROR DOES NOT EXCEED THE
22 PERCENTAGE PREFERENCE ESTABLISHED UNDER § 14-803 OF THIS SUBTITLE.

23 14-805.

24 (A) (1) A CONTRACTOR THAT IS AWARDED A CONTRACT FOR A COVERED
25 PROCUREMENT SHALL PROVIDE TO A UNIT, AS A CONDITION OF RECEIVING THE
26 CONTRACT, WRITTEN VERIFICATION OF:

27 (I) THE WORK TO BE PERFORMED BY REGISTERED
28 APPRENTICES; AND

29 (II) THE WORK TO BE PERFORMED BY REGISTERED
30 APPRENTICES UNDER THE DIRECTION OF A SUBCONTRACTOR.

1 **(2) THE WRITTEN VERIFICATION REQUIRED UNDER PARAGRAPH (1)**
2 **OF THIS SUBSECTION SHALL BE PROVIDED BY A CONTRACTOR TO THE UNIT**
3 **RESPONSIBLE FOR THE PROJECT WITH THE SUBMISSION OF A BID OR PROPOSAL.**

4 **(B) (1) A SUBCONTRACTOR THAT PERFORMS WORK VALUED AT \$100,000**
5 **OR MORE FOR A COVERED PROCUREMENT SHALL PROVIDE TO A UNIT, AS A**
6 **CONDITION OF RECEIVING THE CONTRACT, WRITTEN VERIFICATION OF THE WORK**
7 **TO BE PERFORMED BY REGISTERED APPRENTICES.**

8 **(2) THE WRITTEN VERIFICATION REQUIRED UNDER PARAGRAPH (1)**
9 **OF THIS SUBSECTION SHALL BE PROVIDED BY A CONTRACTOR TO THE UNIT**
10 **RESPONSIBLE FOR THE PROJECT WITH THE SUBMISSION OF A BID OR PROPOSAL.**

11 **(C) THE SECRETARY SHALL ADOPT REGULATIONS TO ESTABLISH A**
12 **PROCESS FOR AUDITING THE USE OF REGISTERED APPRENTICES BY A CONTRACTOR**
13 **OR SUBCONTRACTOR FOR A COVERED PROCUREMENT AWARDED IN ACCORDANCE**
14 **WITH THIS SUBTITLE.**

15 **14-806.**

16 **(A) A CONTRACTOR OR SUBCONTRACTOR THAT IS AWARDED A COVERED**
17 **PROCUREMENT IN ACCORDANCE WITH THIS SUBTITLE WHO FAILS TO USE**
18 **REGISTERED APPRENTICES AS PROVIDED IN THE BID OR PROPOSAL SHALL BE**
19 **LIABLE FOR AN AMOUNT EQUAL TO TWICE THE AMOUNT OF THE PRICE PREFERENCE**
20 **APPLIED UNDER § 14-803 OF THIS SUBTITLE.**

21 **(B) PENALTIES SHALL BE RECOVERABLE IN CIVIL ACTIONS AND PAID TO**
22 **THE STATE.**

23 **(C) (1) THE SECRETARY SHALL ADOPT REGULATIONS TO ESTABLISH**
24 **ADMINISTRATIVE PROCEDURES FOR THE COLLECTION OF PAYMENTS UNDER THIS**
25 **SUBTITLE.**

26 **(2) (I) THE SECRETARY MAY FILE SUIT TO ENFORCE THIS SECTION**
27 **IN ANY COURT OF COMPETENT JURISDICTION.**

28 **(II) IN AN ACTION FILED UNDER THIS SUBSECTION, THE COURT**
29 **SHALL REQUIRE THE CONTRACTOR OR SUBCONTRACTOR TO PAY THE AMOUNT**
30 **REQUIRED BY SUBSECTION (A) OF THIS SECTION, INCLUDING INTEREST,**
31 **REASONABLE ATTORNEY'S FEES, AND COURT COSTS.**

32 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
33 October 1, 2024.