BY: Commerce and Government Matters Committee

AMENDMENTS TO HOUSE BILL NO. 353 (First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, after "Law -" insert "<u>Construction Contracts -</u>"; strike beginning with "a" in line 3 down through "claim" in line 4 and substitute "<u>notice concerning the resolution of certain construction contract claims must be given</u>"; in line 4, after the second "a" insert "<u>notice of a</u>"; in line 6, after the first "a" insert "<u>notice of a claim or a</u>"; strike beginning with "person" in line 6 down through "payments" in line 8 and substitute "<u>unit to pay an undisputed amount under a contract claim</u>"; strike beginning with "modifying" in line 9 down through the second "certain" in line 14 and substitute "<u>providing that the Maryland State Board of Contract Appeals may award a contractor certain costs under limited</u>"; in line 14, after the semicolon, insert "<u>requiring the adoption of certain regulations</u>;"; in line 15, after "process" insert "<u>as it relates to construction contracts</u>"; in line 19, strike "15-105,"; in the same line, strike "15-218,"; in line 29, strike "15-221.1" and substitute "<u>15-221.2</u>".

AMENDMENT NO. 2

On page 2, in line 19, after "include" insert ":

<u>(1)</u>";

and in line 21, after "specifications" insert ": AND

(2) A CLAUSE COVERING THE REQUIREMENTS FOR NOTICE OF CONTRACT CLAIMS, SUBMISSION OF CONTRACT CLAIMS, AND RESOLUTION OF CONTRACT CLAIMS UNDER § 15-219 OF THIS ARTICLE".

On page 3, in line 2, strike the brackets; and strike beginning with the semicolon in line 8 down through "ARTICLE" in line 10.

AMENDMENT NO. 3

On page 4, in line 9, strike "(1)"; in the same line, strike "PARAGRAPH (2) OF THIS SUBSECTION" and substitute "<u>§ 15-219 OF THIS SUBTITLE</u>"; and strike in their entirety lines 12 through 19, inclusive.

On page 5, strike in their entirety lines 18 through 21, inclusive.

AMENDMENT NO. 4

On page 5, in line 23, after "(a)" insert "<u>EXCEPT TO THE EXTENT A SHORTER PERIOD</u> IS PRESCRIBED BY REGULATION GOVERNING DIFFERING SITE CONDITIONS, A CONTRACTOR SHALL FILE A WRITTEN NOTICE OF A CLAIM RELATING TO A PROCUREMENT CONTRACT FOR CONSTRUCTION WITHIN 30 DAYS AFTER THE BASIS FOR THE CLAIM IS KNOWN OR SHOULD HAVE BEEN KNOWN.

<u>(B)</u>";

in the same line, strike "Within" and substitute "<u>UNLESS EXTENDED BY THE UNIT, WITHIN</u>"; and in line 24, strike "UNDER § 15-217 OF THIS SUBTITLE".

On page 5, in lines 30 and 35, and on page 6, in lines 4, 7, 14, and 20, strike "(b)", "(c)", "(D)", "(E)", "(F)", and "(G)", respectively, and substitute "(C)", "(D)", "(E)", "(F)", "(G)", and "(H)", respectively.

On page 5, in line 35, strike "(b)" and substitute "(C)".

On page 6, in line 4, after "CLAIM" insert "<u>IS NOT ALLOWED</u>"; in the same line, after "INCURRED" insert "<u>:</u>

<u>(1)</u>";

in line 5, strike the second "THE" and substitute "<u>A NOTICE OF A</u>"; in lines 5 and 6, strike "§ 15-217(B)(2) OF THIS SUBTITLE IS NOT ALLOWED" and substitute "<u>SUBSECTION (A) OF</u> <u>THIS SECTION; OR</u>

(2) UNLESS THE TIME FOR SUBMISSION OF A CLAIM IS EXTENDED

HB0353/436843/1 CGM Amendments to HB 353 Page 3 of 4

UNDER SUBSECTION (B) OF THIS SECTION, MORE THAN 60 DAYS BEFORE THE REQUIRED SUBMISSION OF THE CLAIM".

AMENDMENT NO. 5

On page 6, in line 1, after "claim" insert ":

<u>(I)</u>";

in line 3, after "agree" insert "<u>, IF THE AMOUNT OF THE CONTRACT CLAIM IS NOT MORE</u> <u>THAN THE AMOUNT UNDER WHICH THE ACCELERATED PROCEDURE MAY BE</u> <u>SELECTED BEFORE THE APPEALS BOARD; OR</u>

(II) FOR ANY OTHER CONTRACT CLAIM, WITHIN 180 DAYS AFTER RECEIVING THE CONTRACT CLAIM OR A LONGER PERIOD TO WHICH THE PARTIES AGREE".

AMENDMENT NO. 6

On page 3, strike beginning with the comma in line 25 down through "TITLE" in line 26.

On page 6, strike beginning with "PERSON" in line 7, down through "CONTRACT" in line 13 and substitute "<u>UNIT DETERMINES THAT IT IS RESPONSIBLE FOR A PORTION BUT</u> <u>NOT ALL OF THE AMOUNT CLAIMED BY THE CONTRACTOR, SUBJECT TO THE TERMS</u> <u>OF THE CONTRACT, THE UNIT SHALL PAY THE UNDISPUTED AMOUNT.</u>

(2) PAYMENT OF THE UNDISPUTED AMOUNT:

(I) IS NOT AN ADMISSION OF THE LIABILITY OF THE UNIT ON THE

CLAIM; AND

(II) DOES NOT PRECLUDE RECOVERY OF THE AMOUNT PAID IF IT SUBSEQUENTLY IS DETERMINED THAT THE DETERMINATION OF THE UNIT WAS NOT CORRECT";

(Over)

HB0353/436843/1 CGM Amendments to HB 353 Page 4 of 4

and in lines 14 and 15, strike "OR TO DENY PARTIAL PAYMENT OF THE CLAIM".

AMENDMENT NO. 7

On page 6, after line 34, insert:

"<u>15-221.2.</u>

(A) THIS SECTION ONLY APPLIES TO A CLAIM RESULTING UNDER A CONTRACT FOR CONSTRUCTION.

(B) THE APPEALS BOARD MAY AWARD TO A CONTRACTOR THE REASONABLE COSTS OF FILING AND PURSUING A CLAIM, INCLUDING REASONABLE ATTORNEY FEES, IF THE APPEALS BOARD FINDS THAT THE CONDUCT OF UNIT PERSONNEL IN PROCESSING A CONTRACT CLAIM IS IN BAD FAITH OR WITHOUT SUBSTANTIAL JUSTIFICATION.

(C) THE APPEALS BOARD SHALL ADOPT REGULATIONS TO IMPLEMENT THIS SECTION.".

On pages 6 and 7, strike in their entirety the lines beginning with line 35 on page 6 through line 27 on page 7.