
By: Senator Hafer

Requested: November 15, 1996

Introduced and read first time: January 8, 1997

Assigned to: Economic and Environmental Affairs

A BILL ENTITLED

1 AN ACT concerning

2 **State Construction Contracts - High Unemployment Regions - Preferences**

3 FOR the purpose of establishing a certain preference for certain State construction
4 contracts benefiting bidders located in a political subdivision with a certain
5 unemployment rate; requiring the Board of Public Works to adopt certain
6 regulations; providing that a preference may not be granted under certain
7 circumstances; providing for application of the preference; defining certain terms;
8 and generally relating to State construction contracts and a preference for certain
9 bidders from high unemployment regions.

10 BY adding to

11 Article - State Finance and Procurement
12 Section 14-406
13 Annotated Code of Maryland
14 (1995 Replacement Volume and 1996 Supplement)

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

17 **Article - State Finance and Procurement**

18 14-406.

19 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
20 INDICATED.

21 (2) "HIGH UNEMPLOYMENT COUNTY" MEANS ANY COUNTY THAT HAS,
22 IN THE MOST RECENT 12-MONTH PERIOD FOR WHICH DATA IS AVAILABLE AS
23 REPORTED BY THE MARYLAND DEPARTMENT OF LABOR, LICENSING, AND
24 REGULATION, AN AVERAGE UNEMPLOYMENT RATE THAT IS MORE THAN ONE AND
25 ONE-HALF TIMES THE STATE UNEMPLOYMENT RATE AS A WHOLE.

26 (3) "PREFERENCE" MEANS AN AMOUNT EQUAL TO 5% OF THE LOWEST
27 RESPONSIVE BID RECEIVED IN RESPONSE TO AN INVITATION FOR BIDS FOR A
28 PROCUREMENT CONTRACT FOR CONSTRUCTION.

29 (4) "PREFERRED BIDDER" MEANS A PERSON:

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1 (I) WHO SUBMITS A RESPONSIVE BID IN RESPONSE TO AN
2 INVITATION FOR BIDS FOR A PROCUREMENT CONTRACT FOR CONSTRUCTION;

3 (II) WHOSE PRINCIPAL OFFICE IS LOCATED IN A HIGH
4 UNEMPLOYMENT COUNTY; AND

5 (III) WHOSE PAYROLL CONSISTS OF EMPLOYEES AT LEAST 65% OF
6 WHOM ARE DOMICILED IN THAT COUNTY OR AN ADJACENT COUNTY.

7 (B) (1) THIS SECTION DOES NOT APPLY WHEN A PREFERENCE WOULD
8 CONFLICT WITH FEDERAL LAW OR PROVISIONS OF A FEDERAL GRANT AFFECTING
9 THE PROCUREMENT CONTRACT.

10 (2) A PREFERENCE UNDER THIS SECTION IS IN ADDITION TO ANY
11 PREFERENCE A PREFERRED BIDDER MAY BE ENTITLED TO UNDER THIS DIVISION II
12 OF THIS ARTICLE.

13 (C) WHEN A UNIT USES COMPETITIVE SEALED BIDDING TO AWARD A
14 PROCUREMENT CONTRACT FOR CONSTRUCTION, THE UNIT SHALL GRANT THE
15 CONTRACT TO A PREFERRED BIDDER IF:

16 (1) THE PREFERRED BIDDER SUBMITS THE LOWEST RESPONSIVE BID
17 AMONG PREFERRED BIDDERS; AND

18 (2) THE BID, AFTER SUBTRACTING THE PREFERENCE UNDER THIS
19 SECTION, DOES NOT EXCEED THE LOWEST RESPONSIVE BID.

20 (D) THE BOARD SHALL ADOPT REGULATIONS TO IMPLEMENT THIS SECTION.

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
22 October 1, 1997.