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By: **Senators Lawlah, McFadden, and Currie**  
Introduced and read first time: February 6, 1998  
Assigned to: Economic and Environmental Affairs

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A BILL ENTITLED

1 AN ACT concerning

2 **Procurement State Construction Contracts - Preferences**

3 FOR the purpose of establishing a certain preference for certain State construction  
4 contracts; providing certain exclusions from certain preferences for certain State  
5 construction contracts under certain circumstances; requiring the Board of  
6 Public Works to adopt certain regulations; defining certain terms; and generally  
7 relating to State construction contracts and a preference for certain bidders.

8 BY adding to  
9 Article - State Finance and Procurement  
10 Section 14-406  
11 Annotated Code of Maryland  
12 (1995 Replacement Volume and 1997 Supplement)

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

15 **Article - State Finance and Procurement**

16 14-406.

17 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
18 INDICATED.

19 (2) "PREFERENCE" MEANS AN AMOUNT EQUAL TO 5% OF THE LOWEST  
20 RESPONSIVE BID RECEIVED IN RESPONSE TO AN INVITATION FOR BIDS FOR A  
21 PROCUREMENT CONTRACT FOR CONSTRUCTION.

22 (3) "PREFERRED BIDDER" MEANS A PERSON:

23 (I) WHO SUBMITS A RESPONSIVE BID IN RESPONSE TO AN  
24 INVITATION FOR BIDS FOR A PROCUREMENT CONTRACT FOR CONSTRUCTION; OR

25 (II) WHOSE PAYROLL CONSISTS OF EMPLOYEES AT LEAST 65% OF  
26 WHOM ARE PERMANENT RESIDENTS OF THE STATE OF MARYLAND.

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

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

7 (1) THE PREFERRED BIDDER SUBMITS THE LOWEST RESPONSIVE BID  
8 AMONG PREFERRED BIDDERS; AND

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

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

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
13 October 1, 1998.