
By: **Delegate Wood**

Introduced and read first time: March 5, 1999

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Procurement - Preferences for Resident Bidders**

3 FOR the purpose of altering the circumstances under which resident bidders for State
4 procurement contracts may be given preference in the procurement process;
5 defining a term; and generally relating to preferences given in the State
6 procurement process.

7 BY repealing and reenacting, with amendments,
8 Article - State Finance and Procurement
9 Section 14-401
10 Annotated Code of Maryland
11 (1995 Replacement Volume and 1998 Supplement)

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

14 **Article - State Finance and Procurement**

15 14-401.

16 (a) (1) In this section the following words have the meanings indicated.

17 (2) "Preference" includes:

18 (i) a percentage preference;

19 (ii) an employee residency requirement; or

20 (iii) any other provision that favors a resident over a nonresident.

21 (3) "Resident bidder" means a bidder whose principal office is located in
22 the State.

23 (4) "SERVICES" MEANS SERVICES, ARCHITECTURAL SERVICES,
24 CONSTRUCTION RELATED SERVICES, ENGINEERING SERVICES, OR ENERGY
25 PERFORMANCE CONTRACT SERVICES, ALL AS DEFINED IN § 11-101 OF THIS ARTICLE.

1 (b) When a unit uses competitive sealed bidding to award a procurement
2 contract, the unit may give a preference to the resident bidder who submits the lowest
3 responsive bid from a resident bidder if:

4 (1) the resident bidder is a responsible bidder;

5 (2) a responsible bidder whose principal office is in another state
6 submits the lowest responsive bid;

7 (3) the [other] state IN WHICH THE NONRESIDENT BIDDER'S PRINCIPAL
8 OFFICE IS LOCATED OR THE STATES IN WHICH A SIGNIFICANT PORTION OF THE
9 VALUE OF THE SUPPLIES OR SERVICES TO BE PROVIDED BY THE NONRESIDENT
10 BIDDER ORIGINATES OR IS PRODUCED [gives] GIVE a preference to [its] THEIR
11 residents; and

12 (4) a preference does not conflict with a federal law or grant affecting the
13 procurement contract.

14 (c) (1) [A] AT THE REQUEST OF THE UNIT, A nonresident bidder submitting
15 a proposal for a State project shall [attach to the proposal] PROVIDE a copy of the
16 current statute, resolution, policy, procedure, or executive order [of the resident state
17 of the nonresident bidder] that pertains to [that state's] THE treatment of
18 nonresident bidders BY:

19 (I) THE STATE IN WHICH THE NONRESIDENT BIDDER'S PRINCIPAL
20 OFFICE IS LOCATED; AND

21 (II) THE STATES IN WHICH A SIGNIFICANT PORTION OF THE VALUE
22 OF THE SUPPLIES OR SERVICES TO BE PROVIDED BY THE NONRESIDENT BIDDER
23 ORIGINATES OR IS PRODUCED.

24 (2) A UNIT MAY GIVE A preference under this section [shall be] THAT IS
25 identical to ANY OF THE FOLLOWING PREFERENCES, OR ANY COMBINATION OF
26 THEM:

27 (I) the preference that the [other] state IN WHICH THE
28 NONRESIDENT BIDDER'S PRINCIPAL OFFICE IS LOCATED gives to its residents; OR

29 (II) THE PREFERENCE THAT ANY OF THE STATES IN WHICH A
30 SIGNIFICANT PORTION OF THE VALUE OF THE SUPPLIES OR SERVICES TO BE
31 PROVIDED BY THE NONRESIDENT BIDDER ORIGINATES OR IS PRODUCED GIVES TO
32 ITS RESIDENTS.

33 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
34 effect July 1, 1999.