

SENATE BILL 487

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P2

2001 Regular Session  
(11r1911)

ENROLLED BILL

-- Economic and Environmental Affairs/Commerce and Government Matters --

Introduced by **Senator Stone**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this  
\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_ M.

\_\_\_\_\_  
President.

CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Procurement - University System of Maryland - Construction Contracts**  
3 **~~Applicability of Retainage and Prompt Payment Requirements~~**

4 FOR the purpose of ~~making applicable to the University System of Maryland certain~~  
5 ~~provisions limiting and regulating the retainage that may be specified in a~~  
6 ~~procurement contract for construction under certain circumstances; making~~  
7 ~~applicable to the University System of Maryland certain provisions relating to~~  
8 ~~the prompt payment of subcontractors at any tier; providing for the application~~  
9 ~~of this Act; and generally relating to the University System of Maryland~~  
10 ~~procurement contracts for construction and prompt payment and retainage~~  
11 ~~issues expanding the list in the State procurement system provisions of law that~~  
12 ~~apply to a procurement contract by the University System of Maryland to include~~  
13 ~~provisions of law concerning retainage and prompt payment of subcontractors in~~  
14 ~~procurement contracts for construction; and generally relating to certain State~~  
15 ~~procurement system provisions of law applicable to the University System of~~  
16 ~~Maryland.~~

17 BY repealing and reenacting, with amendments,

1 Article - State Finance and Procurement  
2 Section 11-203(e)  
3 Annotated Code of Maryland  
4 (1995 Replacement Volume and 2000 Supplement)

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

7 **Article - State Finance and Procurement**

8 11-203.

9 (e) (1) (i) In this subsection the following words have the meanings  
10 indicated.

11 (ii) "Board of Regents" means the Board of Regents of the  
12 University System of Maryland.

13 (iii) "University" means the University System of Maryland.

14 (2) Except as otherwise provided in this subsection, this Division II does  
15 not apply to the University System of Maryland.

16 (3) (i) A procurement by the University shall comply with the policies  
17 and procedures developed by the University and approved by the Board of Public  
18 Works and the Administrative, Executive, and Legislative Review Committee of the  
19 General Assembly in accordance with § 12-112 of the Education Article.

20 (ii) 1. Any contract for services or capital improvements with a  
21 value that exceeds \$500,000 shall require the review and approval of the Board of  
22 Public Works.

23 2. In its review of a contract for services or capital  
24 improvements with a value that exceeds \$500,000 the Board of Public Works may  
25 request the comments of the appropriate agencies, including the Department of  
26 Budget and Management and the Department of General Services.

27 (4) The University's policies shall:

28 (i) to the maximum extent practicable, require the purchasing of  
29 supplies and services in accordance with Title 14, Subtitle 1 of this article; and

30 (ii) promote the purposes of the regulations adopted by the  
31 Department of General Services governing the procurement of architectural and  
32 engineering services.

33 (5) (i) Except as provided in paragraph (7) of this subsection, the  
34 following provisions of Division II of this article apply to the University:

35 1. § 11-205 of this subtitle ("Fraud in procurement");



1 (ii) procurement by the University in support of enterprise  
2 activities for the purpose of:

- 3 1. direct resale;
- 4 2. remanufacture and subsequent resale; or
- 5 3. procurement by the University for overseas programs.

6 ~~SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be~~  
7 ~~construed only prospectively and may not be applied or interpreted to have any effect~~  
8 ~~on or application to any contracts entered into before the effective date of this Act.~~

9 SECTION ~~3.~~ 2. AND BE IT FURTHER ENACTED, That this Act shall take  
10 effect October 1, 2001.