
By: **Senator Stone**
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Assigned to: Economic and Environmental Affairs

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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.

12 BY repealing and reenacting, with amendments,
13 Article - State Finance and Procurement
14 Section 11-203(e)
15 Annotated Code of Maryland
16 (1995 Replacement Volume and 2000 Supplement)

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

19 **Article - State Finance and Procurement**

20 11-203.

21 (e) (1) (i) In this subsection the following words have the meanings
22 indicated.

1 (ii) "Board of Regents" means the Board of Regents of the
2 University System of Maryland.

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

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

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

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

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

17 (4) The University's policies shall:

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

20 (ii) promote the purposes of the regulations adopted by the
21 Department of General Services governing the procurement of architectural and
22 engineering services.

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

25 1. § 11-205 of this subtitle ("Fraud in procurement");

26 2. § 11-205.1 of this subtitle ("Falsification of material
27 facts");

28 3. § 13-219 of this article ("Required clauses -
29 Nondiscrimination clause");

30 4. § 13-225 OF THIS ARTICLE ("RETAINAGE");

31 [4.] 5. Title 14, Subtitle 3 of this article ("Minority Business
32 Participation");

33 [5.] 6. Title 15, Subtitle 1 of this article ("Procurement
34 Contract Administration"); [and]

