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By: Delegate Burns Delegates Burns, Morhaim, Nathan-Pulliam, Pendergrass, and Smigiel

Introduced and read first time: February 9, 2004 Assigned to: Health and Government Operations

Committee Report: Favorable with amendments House action: Adopted Read second time: March 25, 2004

CHAPTER_____

1 AN ACT concerning

Procurement - Contractor's Designation of Specific Subcontractor in Bid or Proposal

4 FOR the purpose of requiring a contractor that is awarded a procurement contract to

- 5 use the services of any subcontractor that the contractor designates in the bid or
- 6 proposal; providing certain exceptions; defining a certain term; and generally
- 7 relating to a contractor's use of certain subcontractors in certain procurement
- 8 contracts under certain circumstances.
- 9 BY adding to
- 10 Article State Finance and Procurement
- 11 Section 13-227
- 12 Annotated Code of Maryland
- 13 (2001 Replacement Volume and 2003 Supplement)

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

15 MARYLAND, That the Laws of Maryland read as follows:

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Article - State Finance and Procurement

17 13-227.

18 (A) IN THIS SECTION, "GOOD CAUSE" INCLUDES THE INABILITY OF A

19 SUBCONTRACTOR TO PERFORM WORK FOR A CONTRACTOR UNDER A PROCUREMENT 20 CONTRACT:

21 (1) BECAUSE THE SUBCONTRACTOR:

HOUSE BILL 872

1 (1) (I) CEASES TO DO BUSINESS;

2 (2) (II) LACKS THE TECHNICAL EXPERTISE OR FINANCIAL CAPABILITY
3 TO DO THE WORK REQUIRED BY THE CONTRACTOR TO COMPLETE THE
4 PROCUREMENT CONTRACT;

5 (3) (III) LACKS A LICENSE TO DO THE WORK THAT IS REQUIRED UNDER 6 THE PROCUREMENT CONTRACT; OR

7 (4) (IV) LOSES ITS LICENSE TO DO WORK IN THE STATE BECAUSE ITS 8 LICENSE IS SUSPENDED OR REVOKED<u>; OR</u>

9 (2) FOR OTHER REASONS THAT ARE REVIEWED AND APPROVED IN 10 WRITING BY THE PROCUREMENT OFFICER AND AGENCY HEAD.

(B) IF A CONTRACTOR THAT IS AWARDED A PROCUREMENT CONTRACT UNDER
 THIS TITLE SPECIFIES IN THE BID OR PROPOSAL THAT THE CONTRACTOR WILL USE
 THE SERVICES OF A PARTICULAR SUBCONTRACTOR FOR THE PROCUREMENT
 CONTRACT, THE CONTRACTOR SHALL USE THAT SUBCONTRACTOR FOR THAT
 PROCUREMENT CONTRACT EXCEPT FOR GOOD CAUSE.

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect 17 October 1, 2004.

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