
By: **Delegates Weldon and Morhaim**
Introduced and read first time: February 13, 2004
Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **State Procurement Law - Revision**

3 FOR the purpose of requiring the Procurement Advisor, in consultation with the
4 General Counsel and the Procurement Advisory Council, to develop a certain
5 program for the reporting of certain fraud, waste, and abuse in the procurement
6 process; repealing certain requirements to publish certain notice of certain
7 awards; repealing a certain limitation on the amount of certain contracts for
8 which the use of certain unsolicited proposals may be authorized; repealing a
9 certain limitation on the amounts and types of contracts for which the use of
10 certain auction bids may be authorized; altering the term of office for a member
11 of the State Board of Contract Appeals; requiring a member of the Appeals
12 Board to be authorized to practice law in the State; altering the procedure for
13 appointing an Appeals Board member; establishing an Appeals Board
14 Nominating Committee; providing for the membership of the Committee;
15 requiring the Committee, in the event of a vacancy on the Appeals Board, to
16 solicit, interview, and evaluate certain candidates, compile a certain list of
17 qualified candidates, and submit the list to the Governor; requiring the
18 Governor to nominate a candidate from the list for the vacancy or request that
19 the Committee compile and submit another list; providing for reimbursement
20 for the expenses of a Committee member; providing for the staff of the
21 Committee; establishing certain limits for expedited and accelerated procedures
22 to be used in cases handled by the Appeals Board; requiring the primary
23 procurement units to develop, implement, and administer an alternative dispute
24 resolution pilot program for construction contract claims; declaring that the
25 policy of the State is to encourage the use of alternative methods of dispute
26 resolution to resolve procurement claims and disputes; authorizing the use of
27 nonbinding mediation under the pilot program; authorizing certain parties to
28 mediate during a certain time period if both parties agree; requiring certain
29 parties to mediate at the discretion of the contractor after a certain time period
30 has expired; requiring the Office of the Attorney General to establish and
31 maintain a list of certain mediators; establishing procedures for the selection of
32 a mediator under the pilot program; requiring the costs of mediation to be
33 shared equally between the parties; requiring the Attorney General, in
34 consultation with the primary procurement units, to report to the Governor and
35 the General Assembly on or before a certain date; establishing a task force to

1 review Maryland's procurement law; establishing the membership,
2 responsibilities, and staffing of the Task Force; making stylistic changes;
3 providing for the application of certain provisions of this Act; providing for the
4 termination of certain provisions of this Act; providing for the effective dates of
5 this Act; and generally relating to the revision of the procurement law.

6 BY repealing and reenacting, with amendments,
7 Article - State Finance and Procurement
8 Section 12-102(a), 13-107.1, 13-111(a), and 15-207
9 Annotated Code of Maryland
10 (2001 Replacement Volume and 2003 Supplement)

11 BY repealing and reenacting, without amendments,
12 Article - State Finance and Procurement
13 Section 13-106(a)
14 Annotated Code of Maryland
15 (2001 Replacement Volume and 2003 Supplement)

16 BY repealing
17 Article - State Finance and Procurement
18 Section 13-106(e)
19 Annotated Code of Maryland
20 (2001 Replacement Volume and 2003 Supplement)

21 BY adding to
22 Article - State Finance and Procurement
23 Section 15-221(f) and 15-224
24 Annotated Code of Maryland
25 (2001 Replacement Volume and 2003 Supplement)

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

28 **Article - State Finance and Procurement**

29 12-102.

30 (a) (1) The Board shall appoint a Procurement Advisor, who serves at the
31 pleasure of the Board.

32 (2) The Procurement Advisor shall:

33 (i) ensure that the State's procurement system is utilizing the most
34 advanced procurement methods and management techniques;

1 (ii) effect and enhance communication between State units on
2 procurement matters, with an emphasis on disseminating information on current
3 developments and advances in the management of the State procurement system;

4 (iii) examine all procurements that are subject to review by the
5 Board and make recommendations to the Board as to the appropriateness of each
6 procurement, with an emphasis on whether the proposed procurement:

7 1. has been competitively conducted; and

8 2. conforms to provisions of procurement law, procurement
9 regulations, and best management practices;

10 (iv) prevent and detect fraud, waste, and abuse and foster
11 competition in the expenditure of State funds in the procurement of supplies, services,
12 or construction;

13 (v) conduct investigations into procurement policies, practices, and
14 procedures, as appropriate;

15 (vi) investigate complaints made by State employees concerning
16 fraud, waste, and abuse in the procurement process and any alleged violation of the
17 procurement law or regulations;

18 (vii) investigate complaints, other than formal bid protests filed
19 under Title 15, Subtitle 2 of this article, made by contractors and other interested
20 parties concerning fraud, waste, and abuse in the procurement process and any
21 alleged violation of the procurement law or regulations;

22 (viii) if apparent criminal violations are found in the course of an
23 investigation, report findings to the Board of Public Works, Office of the Attorney
24 General, United States Attorney, and State or local prosecutors, as appropriate;

25 (ix) if other apparent violations of law or regulation are found in the
26 course of an investigation, report findings to the Board of Public Works, the
27 appropriate agency head, and any other appropriate body for administrative action;

28 (x) produce and submit to the Board of Public Works and the
29 General Assembly, in accordance with § 2-1246 of the State Government Article, an
30 annual report of the activities of the Procurement Advisor, including:

31 1. all findings and recommendations for improvements to the
32 procurement system; and

33 2. the identification of barriers to effective broad-based
34 competition in State procurement and recommendations for the elimination of these
35 barriers;

36 (xi) assist agencies and the public with questions regarding
37 procurement policy;

1 (xii) establish policies for the effective training of State procurement
2 officials to ensure that the State's procurement system is utilizing the most advanced
3 procurement methods and management techniques;

4 (xiii) coordinate activities with other entities performing similar
5 functions;

6 (xiv) review internal audit reports and comment as appropriate;

7 (xv) be the principal staff to the Procurement Advisory Council; and

8 (xvi) notify the Legislative Auditor when the Procurement Advisor
9 undertakes an investigation under item (vi) or (vii) of this paragraph.

10 (3) The Procurement Advisor shall:

11 (i) have access to all books, accounts, records, reports, any material
12 related to contracts and procurement, and all other papers and equipment necessary
13 to carry out its responsibilities; and

14 (ii) have direct and prompt access to all heads of agencies involved
15 in the expenditure of public funds.

16 (4) TO CARRY OUT THE RESPONSIBILITIES OF DETECTING, PREVENTING,
17 AND INVESTIGATING FRAUD, WASTE, AND ABUSE IN THE PROCUREMENT PROCESS,
18 AS REQUIRED UNDER PARAGRAPH (2) OF THIS SUBSECTION, THE PROCUREMENT
19 ADVISOR, IN CONSULTATION WITH THE GENERAL COUNSEL AND THE
20 PROCUREMENT ADVISORY COUNCIL, SHALL DEVELOP A PROGRAM FOR:

21 (I) THE REPORTING BY ANY INDIVIDUAL, INCLUDING A STATE
22 EMPLOYEE OR OFFICIAL, OF FRAUD, WASTE, AND ABUSE IN THE PROCUREMENT
23 PROCESS;

24 (II) THE PROTECTION OF STATE EMPLOYEES OR STATE OFFICIALS
25 FROM FALSE ACCUSATIONS; AND

26 (III) THE AWARD OF FINANCIAL INCENTIVES TO INDIVIDUALS
27 WHOSE REPORTS OF FRAUD, WASTE, OR ABUSE IN THE PROCUREMENT PROCESS
28 RESULT IN THE RECOVERY OF DAMAGES UNDER THIS DIVISION II.

29 13-106.

30 (a) A procurement officer may award a procurement contract on the basis of
31 noncompetitive negotiation if:

32 (1) the procurement is for human, social, or educational services to be
33 provided directly to individuals with disabilities, individuals who are aged, indigent,
34 disadvantaged, unemployed, mentally or physically ill, or displaced or minors;

35 (2) the procurement is one of a class for which the Department of Budget
36 and Management has approved the use of noncompetitive negotiation; and

1 (3) with the approval of the head of the unit, the procurement officer
2 determines that:

3 (i) at least 2 sources are available for the services; but

4 (ii) the absence of effective competition makes it unreasonable to
5 expect bids or proposals from the available sources.

6 [(e) A unit shall publish in the Contract Weekly notice of a procurement
7 contract awarded under this section.]

8 13-107.1.

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

10 (2) "Business and economic development services" means services
11 procured by the Department of Business and Economic Development.

12 (3) "Educational services" means services procured to provide or assist in
13 providing training to third-party clients under a contract.

14 (4) "Health or social services" means services procured to provide or
15 assist in providing support, care, or shelter to third-party clients under a contract.

16 (b) A procurement officer may enter into a contract based on an unsolicited
17 proposal if the unsolicited proposal:

18 (1) is in writing;

19 (2) (i) contains a novel or innovative concept, application, approach, or
20 method which, to the knowledge of the procurement officer, is not used by or available
21 to another unit; or

22 (ii) demonstrates a novel capability of the offeror of the proposal;

23 (3) has not been previously submitted to the unit by another person;

24 (4) is for the delivery of:

25 (i) educational services;

26 (ii) health or social services; or

27 (iii) business and economic development services; and

28 (5) meets a need of or is otherwise advantageous to the unit.

29 (c) (1) There is an interagency panel consisting of representatives appointed
30 by the Governor from the following:

31 (i) the Department of Health and Mental Hygiene;

- 1 (ii) the Department of Human Resources;
- 2 (iii) the Department of Labor, Licensing, and Regulation;
- 3 (iv) the Department of Juvenile Services;
- 4 (v) the Office for Individuals with Disabilities;
- 5 (vi) the Department of Aging;
- 6 (vii) the Department of Business and Economic Development; and
- 7 (viii) the Council on Management and Productivity.

8 (2) (i) A procurement officer shall forward an unsolicited proposal
9 submitted under this section to the interagency panel described under paragraph (1)
10 of this subsection for review and a determination as to whether the unsolicited
11 proposal meets the requirements of subsection (a) of this section.

12 (ii) The interagency panel shall make a determination as to
13 whether the unsolicited proposal meets the requirements of subsection (a) of this
14 section by a majority vote of the panel:

- 15 1. at a meeting of panel members or their designees;
- 16 2. by a telephone poll of panel members; or
- 17 3. in writing.

18 (iii) If the interagency panel determines that the unsolicited
19 proposal does not meet the requirements of subsection (a) of this section, the
20 procurement officer may not award a procurement contract based on the unsolicited
21 proposal.

22 (iv) 1. The interagency panel shall make a determination under
23 subparagraph (i) of this paragraph within 30 days after receiving the unsolicited
24 proposal for review.

25 2. If the interagency panel fails to make a determination
26 under subparagraph (i) of this paragraph within the 30-day period established under
27 this subparagraph, the unsolicited proposal shall be deemed to have been disapproved
28 by the interagency panel.

29 (d) If an unsolicited proposal meets the requirements of subsection (b) of this
30 section, the offeror of the proposal is not required to be the only available source for
31 the contract awarded under this section.

32 (e) Before awarding a procurement contract under this section, a procurement
33 officer shall obtain:

- 34 (1) the approval of the head of the unit; and

1 (2) any other approval required by law.

2 (f) The term, including extensions, of a contract awarded under this section
3 may not exceed 2 years.

4 (g) [State expenditures under a contract awarded under this section may not
5 exceed \$1,000,000 annually.

6 (h)] (1) Except as provided under paragraph (2) of this subsection, a
7 procurement officer shall treat the information contained in an unsolicited proposal
8 as confidential information that is not subject to disclosure under any other State or
9 local law.

10 (2) If a contract is awarded under this section, disclosure of the
11 unsolicited proposal is governed by Title 10, Subtitle 6, Part III of the State
12 Government Article.

13 [(i)] (H) (1) Not less than 30 days before the execution and award of a
14 contract based on an unsolicited proposal under this section, the contracting unit
15 shall publish a general notice of the intent to award the contract in:

16 (i) the Contract Weekly; and

17 (ii) at least one newspaper of general circulation in:

18 1. the county of the agency to be served under the contract;

19 and

20 2. if applicable, the county of the client population to be
21 served by the agency under the contract.

22 (2) For purposes of this subsection:

23 (i) the Baltimore Sun and the Washington Post shall be considered
24 newspapers of general circulation in the counties of the State; and

25 (ii) in Baltimore City, Baltimore County, and Anne Arundel County,
26 the Baltimore Afro-American shall be considered a newspaper of general circulation.

27 (3) If, during the 30-day period established under paragraph (1) of this
28 subsection, a person petitions the interagency panel for reconsideration of a
29 determination of approval under subsection (b) of this section, the interagency panel
30 shall reconsider the determination of approval and make written findings affirming
31 or reversing the determination of approval.

32 [(j)] In addition to publishing notice of the intent to award a contract based on
33 an unsolicited proposal under subsection (i) of this section, not more than 30 days
34 after the execution and approval of a procurement contract awarded under this
35 section, a unit shall publish notice of the award in the Contract Weekly.

1 (k)] (I) The following agencies shall implement an educational outreach
2 campaign on the availability of the unsolicited proposal method of procurement:

- 3 (1) the Department of Health and Mental Hygiene;
- 4 (2) the Department of Human Resources;
- 5 (3) the Department of Labor, Licensing, and Regulation;
- 6 (4) the Department of Juvenile Services;
- 7 (5) the Office for Individuals with Disabilities;
- 8 (6) the Department of Aging; and
- 9 (7) the Department of Business and Economic Development.

10 15-207.

11 (a) The Appeals Board consists of [3] THREE members appointed by the
12 Governor:

13 (1) FROM A LIST OF ELIGIBLE CANDIDATES SUBMITTED BY THE
14 APPEALS BOARD NOMINATING COMMITTEE UNDER SUBSECTION (F) OF THIS
15 SECTION; AND

16 (2) with the advice and consent of the Senate.

17 (b) Each member of the Appeals Board shall:

18 (1) be qualified to serve in a quasi-judicial capacity; [and]

19 (2) BE AUTHORIZED BY THE COURT OF APPEALS TO PRACTICE LAW IN
20 THE STATE; AND

21 (3) have a thorough knowledge of procurement practices and processes.

22 (c) Before taking office, each appointee to the Appeals Board shall take the
23 oath required by Article I, § 9 of the Maryland Constitution.

24 (d) (1) The term of a member is [5] 10 years.

25 (2) The terms of members are staggered as required by the terms
26 provided for members of the Appeals Board on October 1, [1988] 2004.

27 (3) At the end of a term, a member continues to serve until a successor is
28 appointed and qualifies.

29 (4) A member who is appointed after a term has begun serves only for
30 the rest of the term and until a successor is appointed and qualifies.

1 (e) The Governor may remove a member of the Appeals Board for cause.

2 (F) (1) THERE IS AN APPEALS BOARD NOMINATING COMMITTEE.

3 (2) THE COMMITTEE CONSISTS OF FIVE MEMBERS AS FOLLOWS:

4 (I) A RESIDENT OF THE STATE FROM THE CONTRACTOR
5 COMMUNITY, APPOINTED BY THE GOVERNOR;

6 (II) A MEMBER OF THE MARYLAND STATE BAR ASSOCIATION WITH
7 EXPERTISE IN PUBLIC CONTRACTS LAW, APPOINTED BY THE GOVERNOR;

8 (III) A MEMBER APPOINTED BY THE PRESIDENT OF THE SENATE OF
9 MARYLAND;

10 (IV) A MEMBER APPOINTED BY THE SPEAKER OF THE HOUSE OF
11 DELEGATES; AND

12 (V) A MEMBER APPOINTED BY THE ATTORNEY GENERAL.

13 (3) IN THE EVENT OF A VACANCY ON THE APPEALS BOARD, THE
14 COMMITTEE SHALL:

15 (I) SOLICIT QUALIFIED CANDIDATES FOR THE VACANCY;

16 (II) INTERVIEW AND EVALUATE CANDIDATES WHOM THE
17 COMMITTEE DETERMINES TO BE MOST QUALIFIED;

18 (III) COMPILE A LIST OF THE THREE MOST QUALIFIED CANDIDATES;
19 AND

20 (IV) SUBMIT THE LIST OF CANDIDATES TO THE GOVERNOR.

21 (4) ON RECEIPT OF A LIST OF CANDIDATES FROM THE COMMITTEE, THE
22 GOVERNOR SHALL:

23 (I) NOMINATE ONE OF THE CANDIDATES ON THE LIST TO FILL THE
24 VACANCY ON THE APPEALS BOARD; OR

25 (II) REQUEST THAT THE COMMITTEE COMPILE AND SUBMIT
26 ANOTHER LIST OF THREE CANDIDATES FOR THE VACANCY.

27 (5) ON REQUEST BY THE GOVERNOR, THE COMMITTEE SHALL COMPILE
28 AND SUBMIT ANOTHER LIST OF THREE CANDIDATES TO THE GOVERNOR.

29 (6) A MEMBER OF THE COMMITTEE:

30 (I) MAY NOT RECEIVE COMPENSATION; BUT

31 (II) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE
32 STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

1 (7) THE APPEALS BOARD SHALL PROVIDE STAFF SUPPORT FOR THE
2 COMMITTEE.

3 15-221.

4 (F) (1) IN AN APPEAL WHERE THE AMOUNT IN DISPUTE IS \$ 50,000 OR LESS,
5 THE APPELLANT MAY ELECT TO HAVE THE APPEAL PROCESSED UNDER A "SMALL
6 CLAIMS (EXPEDITED)" PROCEDURE REQUIRING DECISION OF THE APPEAL, WHEN
7 POSSIBLE, WITHIN 120 DAYS AFTER THE APPEALS BOARD RECEIVES WRITTEN
8 NOTICE OF THE APPELLANT'S ELECTION TO USE THIS PROCEDURE.

9 (2) IN AN APPEAL WHERE THE AMOUNT IN DISPUTE IS \$ 100,000 OR LESS,
10 THE APPELLANT MAY ELECT TO HAVE THE APPEAL PROCESSED UNDER AN
11 "ACCELERATED" PROCEDURE REQUIRING DECISION OF THE APPEAL, WHEN
12 POSSIBLE, WITHIN 180 DAYS AFTER THE APPEALS BOARD RECEIVES WRITTEN
13 NOTICE OF THE APPELLANT'S ELECTION TO USE THIS PROCEDURE.

14 (3) THE APPEALS BOARD SHALL ADOPT REGULATIONS TO IMPLEMENT
15 THE PROVISIONS OF THIS SUBSECTION.

16 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
17 read as follows:

18 **Article - State Finance and Procurement**

19 13-111.

20 (a) (1) [This] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS
21 SUBSECTION, THIS section applies to the procurement of SERVICES, EQUIPMENT, AND
22 supplies [, with an estimated contract value of \$1,000,000 or more,] by a primary
23 procurement unit.

24 (2) THIS SECTION DOES NOT APPLY TO CONSTRUCTION CONTRACTS OR
25 THE PROCUREMENT OF INFORMATION TECHNOLOGY SERVICES.

26 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland
27 read as follows:

28 **Article - State Finance and Procurement**

29 15-224.

30 (A) IT IS THE DECLARED POLICY OF THE STATE TO ENCOURAGE TO THE
31 MAXIMUM EXTENT PRACTICABLE THE USE OF ALTERNATIVE METHODS OF DISPUTE
32 RESOLUTION TO RESOLVE PROCUREMENT CLAIMS AND DISPUTES.

33 (B) THE PRIMARY PROCUREMENT UNITS SHALL DEVELOP, IMPLEMENT, AND
34 ADMINISTER AN ALTERNATIVE DISPUTE RESOLUTION PILOT PROGRAM, FOR THE
35 RESOLUTION OF CLAIMS UNDER PROCUREMENT CONTRACTS FOR CONSTRUCTION,
36 UNDER GUIDELINES ESTABLISHED UNDER SUBSECTION (D) OF THIS SECTION.

1 (C) THE PILOT PROGRAM SHALL APPLY ONLY TO CONSTRUCTION CONTRACT
2 CLAIMS.

3 (D) (1) TO RESOLVE CONSTRUCTION CONTRACT CLAIMS, THE PILOT
4 PROGRAM SHALL AUTHORIZE THE USE OF NONBINDING MEDIATION, UNLESS THE
5 PARTIES OTHERWISE AGREE.

6 (2) THE PARTIES TO A CONTRACT:

7 (I) BEFORE THE EARLIER OF 180 DAYS AFTER THE CLAIM IS FILED
8 OR THE DATE THAT THE REVIEWING AUTHORITY GIVES WRITTEN NOTICE OF A
9 RESOLUTION UNDER § 15-219(D) OF THIS SUBTITLE, MAY MEDIATE IF BOTH PARTIES
10 AGREE; OR

11 (II) AFTER THE EARLIER OF 180 DAYS AFTER THE CLAIM IS FILED
12 OR THE DATE THAT THE REVIEWING AUTHORITY GIVES WRITTEN NOTICE OF A
13 RESOLUTION, SHALL MEDIATE AT THE DISCRETION OF THE CONTRACTOR.

14 (3) THE OFFICE OF THE ATTORNEY GENERAL SHALL ESTABLISH AND
15 MAINTAIN A LIST OF MEDIATORS QUALIFIED TO MEDIATE A CONSTRUCTION
16 CONTRACT CLAIM.

17 (4) IF MEDIATION IS USED TO RESOLVE A CLAIM UNDER THIS SECTION,
18 THE MEDIATOR SHALL BE:

19 (I) AGREED TO BY THE INTERESTED PARTIES; OR

20 (II) CHOSEN BY THE CONTRACTOR FROM A LIST OF THREE
21 MEDIATORS PROVIDED BY THE ATTORNEY GENERAL FROM THE ROSTER OF
22 QUALIFIED MEDIATORS ESTABLISHED UNDER PARAGRAPH (3) OF THIS SUBSECTION.

23 (5) THE COSTS OF A MEDIATION SHALL BE SHARED EQUALLY BETWEEN
24 THE INTERESTED PARTIES.

25 SECTION 4. AND BE IT FURTHER ENACTED, That:

26 (a) There is a Joint Task Force on Maryland's Procurement Law.

27 (b) The Task Force consists of the following members:

28 (1) 5 members of the Senate of Maryland, appointed by the President of
29 the Senate; and

30 (2) 5 members of the House of Delegates, appointed by the Speaker of the
31 House.

32 (c) The President and Speaker shall designate the co-chairmen of the Task
33 Force.

34 (d) The Office of the Attorney General, the Board of Public Works, and the
35 Department of Legislative Services shall provide staff for the Task Force.

1 (e) A member of the Task Force:

2 (1) may not receive compensation; but

3 (2) is entitled to reimbursement for expenses under the Standard State
4 Travel Regulations, as provided in the State budget.

5 (f) The Task Force shall:

6 (1) review the organizational structure and substantive provisions of
7 Maryland's procurement law, as they have evolved since the law was last
8 comprehensively revised;

9 (2) review the Model Procurement Code adopted by the American Bar
10 Association in 2000 and identify provisions which would improve Maryland's
11 procurement law and procurement process;

12 (3) identify areas in which Maryland's procurement law could be
13 updated, clarified, and reorganized; and

14 (4) develop any recommendations and proposed legislation it considers
15 appropriate for revising the procurement law.

16 (g) The Task Force shall report its findings and recommendations to the
17 Senate Education, Health, and Environmental Affairs Committee and the House
18 Health and Government Operations Committee, in accordance with § 2-1246 of the
19 State Government Article, on or before December 1, 2005.

20 SECTION 5. AND BE IT FURTHER ENACTED, That the provisions of Section
21 1 of this Act concerning the qualifications and the term of office for a member of the
22 Board of Contract Appeals may not be construed to apply to members of the Board in
23 office on October 1, 2004, but the provisions of this Act concerning the qualifications
24 and the term of office for a member of the Board shall take effect at the beginning of
25 the next following term of office for each member.

26 SECTION 6. AND BE IT FURTHER ENACTED, That the Department of
27 Legislative Services is requested to review and evaluate the impact on State
28 expenditures and administrative efficiency of the changes made by Section 2 of this
29 Act to the auction bid process as provided in § 13-111(a) of the State Finance and
30 Procurement Article as enacted by this Act. The Department shall submit a report to
31 the Senate Education, Health, and Environmental Affairs Committee and the House
32 Health and Government Operations Committee, in accordance with § 2-1246 of the
33 State Government Article, on or before January 1, 2007.

34 SECTION 7. AND BE IT FURTHER ENACTED, That the Office of the Attorney
35 General, in consultation with the primary procurement units, shall report on or
36 before January 1, 2006, to the Governor and, in accordance with § 2-1246 of the State
37 Government Article, the General Assembly, on the effectiveness and fiscal impact of,
38 and recommendations about, the alternative dispute resolution pilot program
39 established under Section 3 of this Act. The report shall include a statistical analysis

1 of the size of each case and the types of cases mediated, the outcome of any
2 alternative dispute resolution proceedings, and an estimate of any cost savings or
3 additional costs resulting from the alternative dispute resolution process.

4 SECTION 8. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall
5 remain effective for a period of 3 years and, at the end of September 30, 2007, with no
6 further action required by the General Assembly, Section 2 of this Act shall be
7 abrogated and of no further force and effect.

8 SECTION 9. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall
9 remain effective for a period of 2 years and, at the end of September 30, 2006, with no
10 further action required by the General Assembly, Section 3 of this Act shall be
11 abrogated and of no further force and effect.

12 SECTION 10. AND BE IT FURTHER ENACTED, That Sections 1, 2, 3, and 5
13 through 9 of this Act shall take effect October 1, 2004.

14 SECTION 11. AND BE IT FURTHER ENACTED, That, except as provided in
15 Section 10 of this Act, this Act shall take effect July 1, 2004. Section 4 of this Act shall
16 remain effective for a period of 1 year and 6 months and, at the end of December 31,
17 2005, with no further action required by the General Assembly, Section 4 of this Act
18 shall be abrogated and of no further force and effect.