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By: **Delegates Cardin, Bobo, Conroy, Heller, Hubbard, Leopold, Mandel,  
Montgomery, and Morhaim**

Introduced and read first time: January 27, 2005  
Assigned to: Health and Government Operations

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A BILL ENTITLED

1 AN ACT concerning

2 **Procurement - Percentage Price Preference - Environmentally Preferable**  
3 **Products or Equipment**

4 FOR the purpose of providing a certain price preference for environmentally  
5 preferable products or equipment under certain circumstances; requiring the  
6 Board of Public Works to adopt certain regulations concerning the  
7 establishment of a certain percentage price preference; requiring certain units of  
8 State government to establish a list of acceptable environmentally preferable  
9 products or equipment; requiring each unit of State government to review  
10 certain procurement specifications and, to the extent practicable, require the  
11 use of a percentage price preference in their purchase of environmentally  
12 preferable products or equipment; defining a certain term; repealing certain  
13 obsolete language; and generally relating to a percentage price preference for  
14 the procurement of environmentally preferable products or equipment.

15 BY repealing and reenacting, with amendments,  
16 Article - State Finance and Procurement  
17 Section 14-405  
18 Annotated Code of Maryland  
19 (2001 Replacement Volume and 2004 Supplement)

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

22 **Article - State Finance and Procurement**

23 14-405.

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

25 (2) "ENVIRONMENTALLY PREFERABLE PRODUCTS OR EQUIPMENT"  
26 MEANS PRODUCTS, INCLUDING SUPPLIES, AND EQUIPMENT MANUFACTURED AND  
27 DESIGNED FOR UTILIZATION IN ACCORDANCE WITH A BROAD RANGE OF MEASURES  
28 THAT PREVENT OR MINIMIZE ENVIRONMENTAL DEGRADATION, INCLUDING:

- 1 (I) RECYCLING;
- 2 (II) RESOURCE CONSERVATION;
- 3 (III) SOURCE REDUCTION;
- 4 (IV) USE OF COMPONENTS THAT ARE FREE OF TOXIC OR  
5 DEGRADING AGENTS OR CONTAIN THE LEAST AMOUNT OF TOXIC OR DEGRADING  
6 AGENTS NECESSARY TO MEET APPLICABLE JOB SPECIFICATIONS;
- 7 (V) USE OF INNOVATIVE TECHNOLOGY;
- 8 (VI) USE OF RENEWABLE RESOURCES; AND
- 9 (VII) WASTE MINIMIZATION.

10 (3) (i) "Recycled materials" means material recovered from or  
11 otherwise destined for the waste stream.

12 (ii) "Recycled materials" includes post-consumer material,  
13 industrial scrap material, compost, processed and pasteurized chicken litter, and  
14 obsolete inventories.

15 [(3)] (4) "Percentage price preference" means the percent by which a  
16 responsive bid from a responsible bidder whose product IS AN ENVIRONMENTALLY  
17 PREFERABLE PRODUCT OR EQUIPMENT OR contains recycled materials may exceed  
18 the lowest responsive bid submitted by a responsible bidder whose products ARE NOT  
19 ENVIRONMENTALLY PREFERABLE PRODUCTS OR EQUIPMENT OR do not contain  
20 recycled materials.

21 (b) [No later than January 1, 1994, the] THE Board shall adopt regulations  
22 that require the Secretary of General Services, the Secretary of Transportation, and  
23 the Chancellor of the University System of Maryland to establish a percentage price  
24 preference, not to exceed 5%, for the purchase of ENVIRONMENTALLY PREFERABLE  
25 PRODUCTS OR EQUIPMENT AND products made from recycled materials.

26 (c) A percentage price preference under this section may not be used in  
27 conjunction with any other percentage price preference established under this title.

28 (d) (1) To encourage the maximum purchase of ENVIRONMENTALLY  
29 PREFERABLE PRODUCTS OR EQUIPMENT AND commodities utilizing recycled  
30 materials, the Department of General Services, in consultation with the Department  
31 of the Environment, the University of Maryland, the Maryland Environmental  
32 Service, the Department of Transportation, the Department of Natural Resources, the  
33 Department of Health and Mental Hygiene, and as necessary with representatives of  
34 the recycling industry and environmental organizations, shall establish a list of  
35 acceptable ENVIRONMENTALLY PREFERABLE PRODUCTS OR EQUIPMENT AND  
36 products which contain recycled materials.

1                   (2)       The list shall be published for use by State agencies at least twice  
2 each year.

3       (e)       [By January 1, 1991, each] EACH State unit shall review the procurement  
4 specifications currently used by the unit and, to the extent practicable, require the  
5 use of a percentage price preference in their purchase of ENVIRONMENTALLY  
6 PREFERABLE PRODUCTS OR EQUIPMENT AND supplies and commodities containing  
7 recycled materials.

8       (f)       (1)       Except as provided in paragraph (2) of this subsection, this section is  
9 broadly applicable to all procurements by the State if the quality of the product is  
10 consistent with the requirements of the bid specifications.

11               (2)       Only to the extent necessary to prevent the denial of federal moneys  
12 or eliminate the inconsistency with federal law, this section does not apply to a  
13 procurement by the State if the procurement officer determines that compliance with  
14 this section would:

15                           (i)       cause denial of federal moneys; or

16                           (ii)       be inconsistent with the requirements of federal law.

17       SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
18 October 1, 2005.