

HOUSE BILL 1796

P2

8lr3765

By: **Delegate Lisanti**

Introduced and read first time: March 5, 2018

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **State Procurement – Service Contracts – Renegotiation**

3 FOR the purpose of authorizing a person that has entered into a certain service contract
4 with the State to enter into renegotiations with the State if the State enacts
5 legislation that impacts the personnel costs of the contract in a certain amount; and
6 generally relating to renegotiations of service contracts with the State.

7 BY repealing and reenacting, with amendments,
8 Article – State Finance and Procurement
9 Section 13–218.1
10 Annotated Code of Maryland
11 (2015 Replacement Volume and 2017 Supplement)

12 BY repealing and reenacting, without amendments,
13 Article – State Personnel and Pensions
14 Section 13–401
15 Annotated Code of Maryland
16 (2015 Replacement Volume and 2017 Supplement)

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

19 **Article – State Finance and Procurement**

20 13–218.1.

21 (a) In this section, “service contract” has the meaning stated in § 13–401 of the
22 State Personnel and Pensions Article.

23 (b) (1) At least 60 days before the issuance of a solicitation for a service
24 contract that is not exempt under § 13–403(c) or § 13–404(b) of the State Personnel and

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Pensions Article, the unit shall provide the exclusive representative of the employees who
2 may be affected by the service contract with:

3 (i) written notice of:

4 1. work that is being proposed for contracting; and

5 2. contracting procedures, requirements, timetables, and
6 employee rights as provided in Title 13, Subtitle 4 of the State Personnel and Pensions
7 Article; and

8 (ii) a reasonable opportunity to meet and discuss alternatives to the
9 proposed service contract.

10 (2) (i) 1. Except as provided in subparagraph 2 of this
11 subparagraph, this paragraph applies to a solicitation for a service contract for janitorial
12 services.

13 2. This paragraph does not apply to a service contract for
14 janitorial services under Title 14, Subtitle 1 of this article.

15 (ii) In consultation with the Department of General Services, the
16 Board shall adopt regulations concerning a solicitation for a service contract for janitorial
17 services to require that a bidder or offeror delineate its costs by category, including:

18 1. labor;

19 2. cleaning supplies; and

20 3. projected man-hours to satisfactorily complete the
21 service.

22 (c) A violation of **SUBSECTION (B) OF** this section does not constitute grounds to
23 challenge or appeal an award of a procurement or the process through which the
24 procurement was conducted.

25 **(D) A PERSON THAT HAS ENTERED INTO A SERVICE CONTRACT WITH THE**
26 **STATE MAY ENTER INTO RENEGOTIATIONS WITH THE STATE IF THE STATE ENACTS**
27 **LEGISLATION THAT IMPACTS THE PERSONNEL COSTS OF THE CONTRACT IN AN**
28 **AMOUNT THAT IS AT LEAST 25% OF THE VALUE OF THE CONTRACT.**

29 **Article – State Personnel and Pensions**

30 13–401.

31 (a) In this subtitle the following words have the meanings indicated.

- 1 (b) "Service contract" means a procurement contract for services that:
- 2 (1) will be provided to a unit in the Executive Branch of State government;
- 3 (2) will be performed within a State-operated facility; and
- 4 (3) in the estimation of the procurement officer, will exceed an annual cost
5 of \$100,000.

6 (c) "Services" has the meaning stated in § 11-101 of the State Finance and
7 Procurement Article.

8 (d) "Unit" has the meaning stated in § 11-101 of the State Finance and
9 Procurement Article.

10 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
11 October 1, 2018.