

SENATE BILL 245

P2

8lr0651

By: **Senators Robinson and Smith**

Introduced and read first time: January 19, 2018

Assigned to: Education, Health, and Environmental Affairs

A BILL ENTITLED

1 AN ACT concerning

2 **Procurement – Security Requirements – Forms**

3 FOR the purpose of requiring the Board of Public Works to adopt regulations to establish
4 certain forms for procurement officers to use to require security for construction
5 contracts and contracts for certain supplies and services; requiring that a certain
6 form provide for annual and renewable contracts; and generally relating to security
7 requirements and procurement.

8 BY repealing and reenacting, with amendments,
9 Article – State Finance and Procurement
10 Section 13–216
11 Annotated Code of Maryland
12 (2015 Replacement Volume and 2017 Supplement)

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

15 **Article – State Finance and Procurement**

16 13–216.

17 (a) Except as provided in subsection (b) of this section, a procurement officer may
18 not require a contractor to provide a performance bond, payment bond, or other security on
19 a procurement contract for construction, construction related services, services, or supplies
20 if the price of the procurement contract is \$100,000 or less.

21 (b) A procurement officer shall require a contractor to provide a performance
22 bond, payment bond, or other security if federal law or a condition of federal assistance
23 requires the security.

24 (c) If the price of a procurement contract for construction exceeds \$100,000, a

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 procurement officer shall require a contractor to provide security as required under Title
2 17, Subtitle 1 of this article.

3 (d) A procurement officer may require a contractor to provide a performance bond
4 or other security on a procurement contract for supplies, services, or construction related
5 services if:

6 (1) circumstances warrant security; and

7 (2) the price of the procurement contract exceeds \$100,000.

8 **(E) (1) THE BOARD SHALL ADOPT REGULATIONS TO ESTABLISH**
9 **SEPARATE FORMS FOR PROCUREMENT OFFICERS TO USE TO REQUIRE SECURITY**
10 **FOR CONSTRUCTION CONTRACTS AND CONTRACTS FOR SUPPLIES, SERVICES, OR**
11 **CONSTRUCTION RELATED SERVICES.**

12 **(2) THE FORM FOR CONTRACTS FOR SUPPLIES, SERVICES, OR**
13 **CONSTRUCTION RELATED SERVICES SHALL PROVIDE FOR ANNUAL AND RENEWABLE**
14 **CONTRACTS.**

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