

HOUSE BILL 662

P2

5lr2867

By: Delegates Tomlinson, Boaf, Cardin, Edelson, Embry, Hornberger, Hutchinson, Spiegel, ~~and Stonko~~ Stonko, Alston, Bagnall, Bhandari, Chisholm, Cullison, Guzzone, Hill, S. Johnson, Kaiser, Kerr, Kipke, Lopez, Martinez, M. Morgan, Pena-Melnyk, Reilly, Rosenberg, Ross, Szeliga, Taveras, White Holland, Woods, and Woorman

Introduced and read first time: January 24, 2025

Assigned to: Health and Government Operations

Committee Report: Favorable with amendments

House action: Adopted

Read second time: February 27, 2025

CHAPTER _____

1 AN ACT concerning

2 **Procurement – ~~Master Contracting~~ Indefinite Quantity Contracts –**
3 **Authorization**

4 FOR the purpose of ~~increasing the number of units that are authorized to adopt the master~~
5 ~~contracting method of procurement;~~ authorizing a procurement officer to award an
6 indefinite quantity contract under certain circumstances; requiring the Board of
7 Public Works to adopt certain regulations relating to assignment of work; and
8 generally relating to the use of ~~master contracting~~ indefinite quantity contracts for
9 State procurement.

10 BY repealing and reenacting, with amendments,
11 Article – State Finance and Procurement
12 Section ~~13-101, 13-113, and 13-114~~ 13-113
13 Annotated Code of Maryland
14 (2021 Replacement Volume and 2024 Supplement)

15 BY adding to
16 Article – State Finance and Procurement
17 Section 13-212.2
18 Annotated Code of Maryland
19 (2021 Replacement Volume and 2024 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



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

3 **Article – State Finance and Procurement**

4 ~~13-101.~~

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

6 (b) ~~["Designated procurement unit" means:~~

7 (1) ~~the Department of General Services;~~

8 (2) ~~the Department of Transportation; or~~

9 (3) ~~the Department of Information Technology, only with respect to an~~
10 ~~information technology master contract executed before July 1, 2022, until the earlier of:~~

11 (i) ~~the expiration date of all information technology master~~
12 ~~contracts; or~~

13 (ii) ~~June 30, 2027.~~

14 (e) ~~"eMaryland Marketplace" or "eMaryland Marketplace Advantage" means the~~
15 ~~Internet-based procurement system managed by the Department of General Services.~~

16 (d) (C) ~~"Evaluated bid price" means the price of a bid after adjustment in~~
17 ~~accordance with objective measurable criteria.~~

18 (e) (D) ~~"Master contracting" means a streamlined procurement method that~~
19 ~~provides for the qualification of bidders and offerors for the procurement of services,~~
20 ~~supplies, or commodities.~~

21 (f) (E) (1) ~~"Objective measurable criteria" means standards that enable the~~
22 ~~State to compare the economy, effectiveness, or value of the subject of the bids.~~

23 (2) ~~"Objective measurable criteria" includes standards of reliability,~~
24 ~~operational costs, maintainability, useful life, and residual value.~~

25 (g) (F) ~~"Pay for success contracting" means a performance based~~
26 ~~procurement method through which a unit contracts with an organization to deliver~~
27 ~~services or commodities in exchange for payment based on the achievement of outcomes.~~

28 (h) (G) ~~"Person" includes, unless the context requires otherwise:~~

(d) (1) Except as provided in subsection (f) of this section, if the unit [of the Executive Branch] expects that the total cost of the services, supplies, or commodities will exceed \$100,000, the unit shall issue a solicitation for a task order to all master contractors in the appropriate category established by the ~~the~~ designated procurement unit.

(2) If the unit [of the Executive Branch] expects that the total cost of the services, supplies, or commodities will be \$100,000 or less, the unit shall issue a solicitation for a task order to a minimum of six qualified master contractors or all master contractors, whichever is less, in the appropriate category established by the ~~the~~ designated procurement unit.

(e) Except as provided in subsection (f) of this section, after a unit [of the Executive Branch] receives responses from master contractors to a solicitation for a task order, the unit shall evaluate the responses and may select a master contractor based on the response that is determined to be the most advantageous to the State considering the evaluation factors set forth in the task order.

(f) The requirements of subsections (c)(2), (d), and (e) of this section do not apply to a master contract for construction if the master contract:

(1) is awarded through a competitive process in accordance with this subtitle; and

(2) states:

(i) how task orders will be awarded; and

(ii) the maximum number of qualified contractors that will be awarded a master contract for construction.

~~13-114.~~

~~(a) The Board shall adopt regulations in accordance with Title 10, Subtitle 1 of the State Government Article to establish a uniform process for the solicitation of master contracts and task orders.~~

~~(b) Each [designated procurement] unit shall ensure compliance with the regulations set forth in subsection (a) of this section.~~

13-212.2.

(A) THIS SECTION APPLIES ONLY TO A PROCUREMENT AWARDED THROUGH A PROCUREMENT METHOD LISTED IN § 13-102(A)(1) THROUGH (4) OR (6) THROUGH (11) OF THIS TITLE AND THAT RESULTS IN MULTIPLE CONTRACTS BEING AWARDED.

1 **(B) SUBJECT TO THE REQUIREMENTS OF THIS SECTION, A PROCUREMENT**
2 **OFFICER MAY AWARD AN INDEFINITE QUANTITY CONTRACT.**

3 **(C) (1) AN INDEFINITE QUANTITY CONTRACT SHALL INCLUDE AN**
4 **AGREEMENT ON:**

5 **(I) THE SPECIFIC SCOPE OF SERVICES TO BE PERFORMED;**

6 **(II) THE MAXIMUM HOURS OR FEES APPROVED FOR THE**
7 **SPECIFIC WORK ASSIGNMENT; AND**

8 **(III) OTHER MATTERS PERTINENT TO THE WORK ASSIGNMENT.**

9 **(2) THE PROCUREMENT OFFICER AND CONTRACTOR SHALL EXECUTE**
10 **EACH WORK ORDER SUBJECT TO THE TERMS OF THE INDEFINITE QUANTITY**
11 **CONTRACT.**

12 **(3) EACH SIGNED WORK ORDER SHALL BECOME PART OF THE**
13 **INDEFINITE QUANTITY CONTRACT.**

14 **(D) SUBJECT TO SUBSECTION (E) OF THIS SECTION, THE BOARD SHALL**
15 **ADOPT REGULATIONS ESTABLISHING METHODS OF ASSIGNING WORK UNDER AN**
16 **INDEFINITE QUANTITY CONTRACT, INCLUDING:**

17 **(1) ASSIGNMENT BY RIGHT OF FIRST REFUSAL IN THE ORDER OF**
18 **RANKING OF CONTRACT AWARDS; AND**

19 **(2) ROTATION AMONG CONTRACTORS.**

20 **(E) IF A METHOD OF ASSIGNING WORK ESTABLISHED UNDER SUBSECTION**
21 **(D) OF THIS SECTION CONFLICTS WITH A FEDERAL FUNDING REQUIREMENT ON A**
22 **PROJECT, THE FEDERAL METHOD FOR ASSIGNING WORK SHALL BE USED.**

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
24 October 1, 2025.