HOUSE BILL 662

P2 5lr2867

By: Delegates Tomlinson, Boafo, 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 _____

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1	ΔN	$\mathbf{A}(\mathbf{Y}\mathbf{I})$	concerning
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- 2 Procurement Master Contracting Indefinite Quantity Contracts 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 <u>indefinite quantity contract under certain circumstances; requiring the Board of</u>

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

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- 16 Article State Finance and Procurement
- 17 Section 13–212.2
- 18 <u>Annotated Code of Maryland</u>
- 19 (2021 Replacement Volume and 2024 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

<u>Underlining</u> indicates amendments to bill.

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



$\frac{1}{2}$		N 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, 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 10	(3) information tec	the Department of Information Technology, only with respect to an thology master contract executed before July 1, 2022, until the earlier of:
11 12	contracts; or	(i) the expiration date of all information technology master
13		(ii) June 30, 2027.
14 15	` / -	Maryland Marketplace" or "eMaryland Marketplace Advantage" means the procurement system managed by the Department of General Services.
16 17	[(d)] (C) accordance with	"Evaluated bid price" means the price of a bid after adjustment in a objective measurable criteria.
18 19 20	[(e)] (D) provides for th supplies, or con	ne qualification of bidders and offerors for the procurement of services,
21 22	[(f)] (E) State to compar	(1) "Objective measurable criteria" means standards that enable the re the economy, effectiveness, or value of the subject of the bids.
23 24	(2) operational cos	"Objective measurable criteria" includes standards of reliability, ts, maintainability, useful life, and residual value.
25 26	[(g)] (F) procurement n	"Pay-for-success contracting" means a performance-based nethod through which a unit contracts with an organization to deliver
27		modities in exchange for payment based on the achievement of outcomes.
28	[(h)] (G)	"Person" includes, unless the context requires otherwise:

1	(1) the State;
2 3	(2) a county, a municipal corporation, or any other political subdivision; and
4	(3) any unit of the State government or a political subdivision.
5 6 7	{(i)} (II) "Task order" means a procurement process in which only those vendors with master contracts may compete to provide the services, supplies, or commodities under the procurement.
8	13–113.
9 10 11	(a) {The designated procurement units} A UNIT may adopt master contracting, a streamlined procurement method, to provide for the qualification of an offeror in one or more categories of services, supplies, or commodities.
12 13	(b) If a {designated procurement} unit adopts master contracting, the master contracting method shall include:
14 15	(1) the categories of services, supplies, or commodities in which an offeror may submit a proposal for qualification;
16 17	(2) a procedure for the consideration and approval of proposals for qualification of multiple offerors in each category of services, supplies, or commodities;
18 19	(3) the execution of a standard contract for a specified period of time between the State and an offeror approved as a master contractor; and
20 21 22	(4) a performance evaluation procedure to be used by a unit [of the Executive Branch] to evaluate the performance of a qualified offeror that has completed work on a task order.
23 24 25	(c) (1) A unit [of the Executive Branch] that requires services, supplies, or commodities covered under a master contract may issue a solicitation for a task order to a master contractor consistent with the regulations adopted under § 13–114 of this subtitle.
$\frac{26}{27}$	(2) Except as provided in subsection (f) of this section, the solicitation for a task order shall include a statement of the:
28 29	(i) factors that will be used in evaluating a master contractor's response; and
30	(ii) relative importance of each factor

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- 1 (d) (1) Except as provided in subsection (f) of this section, if the unit [of the 2 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 {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 {designated procurement} unit.
- 10 (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.
- 15 (f) The requirements of subsections (c)(2), (d), and (e) of this section do not apply 16 to a master contract for construction if the master contract:
- 17 (1) is awarded through a competitive process in accordance with this subtitle; and
- 19 (2) states:
- 20 (i) how task orders will be awarded; and
- 21 (ii) the maximum number of qualified contractors that will be 22 awarded a master contract for construction.
- 23 13-114.
- 24 (a) The Board shall adopt regulations in accordance with Title 10, Subtitle 1 of 25 the State Government Article to establish a uniform process for the solicitation of master 26 contracts and task orders.
- 27 (b) Each [designated procurement] unit shall ensure compliance with the 28 regulations set forth in subsection (a) of this section.
- 29 **13–212.2.**
- 30 (A) THIS SECTION APPLIES ONLY TO A PROCUREMENT AWARDED THROUGH
 31 A PROCUREMENT METHOD LISTED IN § 13–102(A)(1) THROUGH (4) OR (6) THROUGH
 32 (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
0	EACH WORK ORDER SUBJECT TO THE TERMS OF THE INDEFINITE QUANTITY
1	CONTRACT.
12	(3) EACH SIGNED WORK ORDER SHALL BECOME PART OF THE
13	INDEFINITE QUANTITY CONTRACT.
. 4	(b) Cup income the cup of company (b) of the cup of the
14	(D) SUBJECT TO SUBSECTION (E) OF THIS SECTION, THE BOARD SHALL 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
9	(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	CECTION 9 AND DE IT EHDTHED ENLACTED That this Act shall take seems
23 24	SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2025.
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