

Article - State Finance and Procurement

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§17–103.

(a) (1) Before a public body awards a construction contract exceeding the small procurement amount specified in § 13–109 of this article for construction, the contractor shall provide payment security and performance security that meet the requirements of § 17–104 of this subtitle.

(2) The security shall be:

(i) for performance security, in an amount that the public body considers adequate for its protection; and

(ii) for payment security, at least 50% of the total amount payable under the contract.

(b) A public body, other than the State or a unit of the State government, may require payment security or performance security for a construction contract if:

(1) the contract exceeds \$100,000 but does not exceed the small procurement amount specified in § 13–109 of this article; and

(2) the amount of the security does not exceed 50% of the contract amount.

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