

HOUSE HEALTH AND GOVERNMENT OPERATIONS COMMITTEE
House Bill 289 – State Contracts – Prohibited Provisions
January 23, 2024
Favorable

Salisbury University (SU) respectfully urges a favorable report of House Bill 289.

SU receives and enters into hundreds of contracts every year. In recent years, our institution has experienced a significant increase in the number of proposed contractual agreements in which contractors dispute or refuse to modify their formal agreements and contracts to comply with Maryland law. These contracts include for example, agreements from vendors for goods and services, contracts for research, and agreements with parties that provide required academic opportunities for our students. More and more often, contracts contain clauses that SU cannot accept, such as broad indemnifications, binding dispute resolution requirements, and terms specifying governing law other than the State of Maryland. These disagreeable clauses have appeared in all variety of contracts, regardless of the monetary value of the contract, and are commonly found in legally-binding “click-through” contracts that SU personnel often need to accept to perform their workplace or classroom responsibilities.

As a result, SU’s legal counsel and procurement department are forced to attempt to negotiate amended terms that can be accepted by SU. These negotiations can often take weeks or months to resolve, and can still fail to reach a mutually agreeable outcome. In the case of click-through agreements, it is often difficult to identify a vendor representative willing to engage in discussions at all. When these negotiations fail, SU’s academic and administrative priorities suffer as the University is unable to procure necessary items or services in a timely manner, accept grants, or even to allow students take advantage of academic opportunities.

SU supports the solution offered by the University System of Maryland (USM) to have a definitive statute that all USM attorneys can rely on during their negotiations with outside-the-state vendors.

For these reasons, the SU urges a Favorable Report on House Bill 289.