



The Voice of Merit Construction

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February 4, 2025

TO: BUDGET AND TAX COMMITTEE

FROM: ASSOCIATED BUILDERS AND CONTRACTORS

RE: S.B. 426 – PROCUREMENT REFORM ACT OF 2025

POSITION: FAVORABLE WITH AMENDMENTS

The Associated Builders and Contractors for Maryland, appreciates the opportunity to opine on SB 426 which is before you today for consideration. The bill as written would modernize and streamline the procurement process within Maryland's state government and associated entities. It seeks to enhance efficiency, promote small and minority-owned businesses, and adapt to contemporary needs for public procurement.

ABC in particular has concerns regarding the insertion of a 5% or more preference for companies certified as good labor practice companies as we believe this will serve to increase the cost of construction projects significantly and unnecessarily. As an alternative we suggest requiring bidders to certify their compliance with the enumerated items but eliminate any requirement that a contractor would be jointly and severally responsible for any and all employment violations by a subcontractor.

We respectfully suggest the following amendments:

Page 30, Line 5, Add (i) before "A"

(Line 12) **(ii) IN THE EVENT THAT A UNIT ADDS OR INCREASES THE MINORITY BUSINESS PARTICIPATION GOAL UNDER THIS SUBSECTION, THE PROCUREMENT CONTRACT WILL BE AMENDED TO ENABLE AN EQUITABLE ADJUSTMENT TO PRICE COMMENSURATE WITH ANY INCREASE IN COST.**

Page 38, Line 4, Add (i) before "A"

(Line 10) **(ii) IN THE EVENT THAT A UNIT ADDS OR INCREASES THE VETERAN BUSINESS PARTICIPATION GOAL UNDER THIS SUBSECTION, THE PROCUREMENT CONTRACT WILL BE AMENDED TO ENABLE AN EQUITABLE ADJUSTMENT TO PRICE COMMENSURATE WITH ANY INCREASE IN COST.**

Page 42, line 22 through 27, amend:

~~(A) TO OBTAIN INITIAL CERTIFICATION AS A GOOD LABOR PRACTICES CERTIFIED BUSINESS, A BUSINESS MUST ATTEST THAT, A BUSINESS AWARDED A ON AN CONTRACT SUBJECT TO THIS SUBTITLE THAT IT IS AWARDED OR UNDER WHICH IT~~

Pg 43, STRIKE LINES 23-27: ~~BE JOINTLY AND SEVERALLY LIABLE AS AN EMPLOYER OF ANY VIOLATION FO A SUBCONTRACTOR UNDER TITLE 3, TITLE 5, TITLE 8 OR TITLE 9 OF THE LABOR AND EMPLOYMENT ARTICLE OR TITLE 17 OR TITL 18 OF THIS ARTICLE IN CONNECTION WITH THE SUBCONTRACTOR'S PERFORMANCE OF WORK UNDER THE CONTACT;~~

Page 43, line 28, amend:

(9) PROMPTLY DISCLOSE TO THE COMMISSIONER, IN A FORM AND MANNER TO BE PRESCRIBED BY THE COMMISSIONER, ANY SUITS, CHARGES DEMANDS, ORDERS FINDINGS, OR ADJUDICATIONS MADE AGAINST IT IN CONNECTION WITH VILATIONS SUBJECT TO ITEM (1) (2) OR (3) OF THIS SUBSECTION ~~OR AGAINST ANY OF ITS SUBCONTRACTORS AS PROVIDED IN ITEM 8 OF THIS SUBSECTION;~~ AND

Page 44, strike line (3) through 30.

Page 45, strike line 1 through 17

Although S.B. 426 aims to enhance efficiency and promote small businesses, we feel that our suggested amendments are essential to ensure that the bill meets its objectives without leading to unintended negative consequences for contractors and the state's procurement process.

On behalf of the over 1,500 ABC members in Maryland, we respectfully request a favorable with amendment report on SB 426

Marcus Jackson, Director of  
Government Affairs

