

KENNETH P. KERR, Ed.D
Legislative District 3
Frederick County

Health and Government Operations
Committee

Subcommittees

Chair, Government Operations and
Health Facilities

Insurance and Pharmaceuticals



THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

Annapolis Office
The Maryland House of Delegates
6 Bladen Street, Room 209
Annapolis, Maryland 21401
410-841-3240 · 301-858-3240
800-492-7122 Ext. 3240
Ken.Kerr@house.state.md.us

District Office
4539 Metropolitan Court, Suite 257
Frederick, Maryland 21704
301-360-3505

HB 304 – State Procurement Transparency and Procedures

House bill 304 proposes several reforms to Maryland’s state procurement process focusing on **change orders, contract modifications, bid protests, debriefings, and procurement ethics.**

Key provisions of the bill include:

Change Orders and Contract Modifications:

HB 304 requires procurement contracts to compensate contractors for cost and time increases that result from changes in the law. The bill also expands the definition of contract modifications to include those adjustments required by legal or regulatory changes.

Bid Protest and Contract Claims

HB 304 removes contract claims from the protest process, limiting procedures to bid protests only. The bill establishes a 45-day time limit for decisions on bid protests. The bill further expands construction-related claim procedures to all contract claims and extends the deadline for submission from 30 to 90 days.

HB304 allows contractors to recover legal fees if the State’s actions in a contract dispute are found to be in bad faith or without justification. Finally

the bill requires all appeals of procurement disputes to go directly to the Appellate Court of Maryland.

Debriefings and Unsuccessful Offerors

HB 304 mandates that procurement agencies provide debriefings when requested. The bill expands the required disclosures during briefings, including information from competing bids that would be necessary to evaluate the fairness of the procurement process.

Procurement Ethics

Finally, HB304 clarifies that providing non-competitive information does not constitute a conflict of interest in the bidding process.

Fiscal Impact

Increased Legal Costs

HB 304 will require the hiring of one additional Assistant Attorney General (at a salary of \$106,700 in FY 2006) to manage the expanded legal responsibilities.

Potential Cost Increases and Delays

The new requirement within HB 304 to compensate contractors for regulatory changes could increase contract costs. Extended deadlines for contract claims and expanded debriefing procedures may delay contract awards and project execution. Taken together these new elements of the procurement process could result in additional litigation risks for the State.

Small Business and Local Government Impact

HB 304 will have minimal impact on small businesses and no direct effect on local government.

We respectfully urge a favorable vote.